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The Liaison Committee on Texas Private Colleges and Universities undertook a study of private higher education in Texas and its future, taking into account contemporary conditions confronting all higher education and major public policy issues at state and national levels. The Committee carefully discussed and offered recommendations on: the continuation of an independent sector in Texas; the revolutionary changes in higher education and the changing nature of the university operating costs; appropriate state action to preserve the dual system; the necessity for a strong statewide coordinating and planning agency; the present contribution of private education to the life of the state; enrollments; the significance of the state's attitude toward private education; the recruitment, retention and use of faculty; financial problems; graduate programs; and medical and engineering education. Legal considerations pertaining to the proposed new relationships between the state and the independent sector and the role of the private sector in leadership are also discussed. Tables, charts and maps are provided. (JS)

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Pluralism and Partnership

The Case for the Dual System of Higher Education

LIAISON COMMITTEE ON TEXAS
PRIVATE COLLEGES AND UNIVERSITIES

study paper 6

COORDINATING BOARD
TEXAS COLLEGE AND UNIVERSITY SYSTEM

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

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Pluralism and Partnership

The Case for the Dual System of Higher Education

LIAISON COMMITTEE ON TEXAS PRIVATE COLLEGES AND UNIVERSITIES

The study herein reported and this publication were financed by a grant awarded by the Coordinating Board, Texas College and University System, from Comprehensive Master Planning funds made available by the U.S. Office of Education.

THE COORDINATING BOARD, TEXAS COLLEGE AND UNIVERSITY SYSTEM
Austin, Texas September, 1968

Liaison Committee on Texas Private Colleges and Universities
SUITE 503/COMMODORE PERRY HOTEL/AUSTIN, TEXAS 78701/PHONE 512—476-6751
*"A Study of Private Higher Education
in Texas and its Planned Contribution
to the State System"*

Mr. John E. Gray, Chairman
Coordinating Board, Texas College
and University System
Sam Houston State Office Building
Austin, Texas 78701

Attention: Dr. Bevington A. Reed, Commissioner of Higher Education

Dear Sirs:

Although the Liaison Committee on Texas Private Colleges and Universities presented preliminary findings to the Coordinating Board on June 13, it is pleased to transmit herewith this final report on Pluralism and Partnership: The Case for the Dual System of Higher Education. This constitutes the major research publication resulting from the study undertaken, at your request, to provide "a statement by the private colleges and universities explaining what they consider their proper place in a state system of education, now and for the next two decades."

The Committee plans to file two additional documents with the Board at a later date. One will be a volume of profiles of the individual independent institutions of higher education in Texas and the other a brief on the legal issues which might be raised concerning the private sector's participation in the total state system of higher education.

Although many persons have participated in the study and contributed to the completion of this report, the Liaison Committee alone assumes full responsibility for its contents.

We are grateful for the privilege of having served the Coordinating Board and hope that this study will be useful not only to it but to all who are interested in maintaining a viable dual system of higher education.

Respectfully submitted,

John D. Moseley, Chairman

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In collaboration with
Independent Colleges and Universities of Texas, Incorporated
The Association of Texas Colleges and Universities
J. Stewart Allen, Project Coordinator
Floy Johnson, Research Director

Foreword

The Coordinating Board's Study Paper Series is designed to make available to the Texas academic community and other interested citizens the results of education research projects undertaken by or for the Board.

Section 21 of the Higher Education Coordinating Act of 1965 (Article 2919e-2, Vernon's Texas Civil Statutes) mandates the Board to "enlist the cooperation of private colleges and universities in developing a statewide plan for the orderly growth of the Texas system of higher education" and to "encourage cooperation between public and private institutions wherever possible." It further authorizes the Board to enter into cooperative undertakings with the independent institutions as permitted by law, to consider the availability of degree and certificate programs in private institutions, and to cooperate with them, within constitutional and statutory limitations, to achieve the broad purposes of the law.

It was to assess the higher education resources available to the state through the private sector and to obtain guidance in determining the role of private colleges and universities for master planning purposes that the Board contracted for this study.

The seven-member Liaison Committee of private college presidents which undertook the project has produced a report which we believe has significance not only for Texas but for persons everywhere who are interested in higher education.

The Coordinating Board staff expresses appreciation to the Committee and to the independent sector of higher education for this important contribution to the work of the Board.

Bevington Reed
Commissioner of Higher Education

COORDINATING BOARD: JOHN E. GRAY, *Chairman;* NEWTON GRESHAM, *Vice-Chairman;* RAYBURN BELL, G. V. BRINDLEY, JR., M.D., VICTOR BROOKS, J. G. CIGARROA, JR., M.D., MRS. JOHN T. JONES, JR., EUGENE MCDERMOTT, CHARLES PROTHRO, HARRY PROVENCE, C. G. SCRUGGS, J. J. SEABROOK, TOM SEALY, M. HARVEY WEIL, D. M. WIGGINS, DAN C. WILLIAMS, H. B. ZACHRY.

PREFACE

At the outset of this study, the Liaison Committee determined to look at private higher education in Texas and its future in a broad context, taking into account the contemporary conditions which confront all higher education and the major public policy issues which must be faced on both state and national levels.

A description of some of the factors which have helped to create the revolutionary climate in which the higher education enterprise now operates is sketched in Chapter I, in which the Committee reaches the conclusion that the task ahead in higher education is of such dimensions that every available resource, including those of the private sector, must be utilized to the fullest. Chapter II attempts to describe the value of the independent sector of higher education to the state and to society in terms of economics, educational contributions, and intangible values.

Responsibility for higher education leadership is dealt with from two viewpoints in Chapters III and VII. Chapter III discusses the vitally important role of the Coordinating Board, Texas College and University System, in providing statesmanlike leadership and direction for all higher education in the state. Chapter VII challenges the private sector—the private college and university trustees, presidents, supporters, and friends—to face their situations realistically and to accept responsibility both in terms of providing quality education in their own institutions and in terms of preserving a viable dual system of higher education.

Much of the information collected from the independent colleges during the course of this study is analyzed in Chapter IV, which traces and projects the trends in the private sector and points up present and potential problems. It contains the supporting data upon which many of the conclusions of the study are based.

Chapter VI deals with the financial support of higher education, public and private, and discusses the various programs of aid to institutions and students from federal and state governments. It also proposes that the Coordinating Board develop and submit to the Legislature a Higher Education Program Authorization Act which would provide a battery of programs for the support of higher education, public and private, including aid to both students and institutions.

Another major recommendation of the Committee is set forth in Chapter III, which proposes a restructuring of the system of governance for higher education in the state so as to give all segments, including the independent sector, representation at the statewide planning and policy-making level. Participation of the private sector in the state system of higher education raises possible legal questions, and these are identified and analyzed in Chapter V.

Chapter VIII, a summary and statement of the Liaison Committee's position, is in effect a capsule version of the report.

Many persons and processes have been involved in the conduct of this project, which has been not only a research operation but an educational effort both within and on behalf of the independent sector of higher education. Seeking to involve the administrators and governing boards of the private institutions in its work, the Committee held two meetings with presidents and trustee representatives and two additional meetings with the presidents. The purpose of these sessions was to explain the nature and rationale of the study, to report progress and review findings, and to seek suggestions and reactions. In addition, the Committee held a meeting for institutional research officers in October, 1967, which included both a general training session for such persons and a review and critique of preliminary questionnaire forms.

Data from 49 independent institutions were collected by means of a detailed questionnaire. In addition, each of the private colleges and universities submitted a role and scope statement, and many of their presidents supplied narrative replies to a comprehensive list of policy questions.

To provide information and understanding about the role of special purpose institutions, the Liaison Committee appointed and worked closely with the following advisory committees:

Advisory Committee on Predominantly Negro Colleges

Dr. John T. King, President, Huston-Tillotson College, Austin

Dr. M. K. Curry, Jr., President, Bishop College, Dallas

Dr. T. W. Cole, Sr., President, Wiley College, Marshall

Advisory Committee on Independent Junior Colleges

Dr. Walter Rubke, President, Concordia College, Austin

Dr. Blake L. Farmer, President, Southwestern Assemblies of God College, Waxahachie

Dr. W. I. Dykes, President, South Texas Junior College

Relationships between the church and higher education in Texas were explored by the Committee with the following representatives of church organizations and denominations:

Mr. Harold Kilpatrick, Executive Secretary, Texas Council of Churches, Austin

Mr. Callan Graham, Executive Secretary, Texas Catholic Conference, Austin

Mr. E. A. Dean, Stated Clerk, Synod of Texas, Presbyterian Church, U.S., Austin

Dr. E. N. Jones, Secretary, Christian Education Commission, Baptist General Convention of Texas, Dallas

The Rev. Paul D. Young, Pastor, Central United Presbyterian Church, Waco, representing Dr. Hoytt Boles, Stated Clerk, United Presbyterian Church

Mr. Charles Musgrove, Texas Methodist College Association, Dallas

A number of individual consultants on various phases of higher education also met with the Committee during the course of the study. Especially helpful and significant were the contributions of the following:

Dr. Morris Keeton, Vice President, Antioch College. Yellow Springs, Ohio

Dr. Richard H. Sullivan, President, Association of American Colleges, Washington, D.C.

Dr. Sumner Hayward, President, Associated Colleges of the Midwest, Chicago, Illinois

Dr. Warren B. Martin, Center for Research and Development in Higher Education, Berkeley, California

Dr. David Zimmerman, Vice President, The Danforth Foundation, St. Louis, Missouri

Father G. W. Friedman, College and University Department, National Catholic Educational Association, Washington, D.C.

Dr. David Knapp, Vice President, American Council on Education, Washington, D.C.

Mr. Alfred W. Baxter, Baxter, McDonald & Company, Consultants in Planning and Management, Berkeley, California

Mr. Charles Nelson, Nelson Associates, Incorporated, New York City

Dr. Allan M. Cartter, Chancellor, New York University, New York City

Mr. and Mrs. A. J. Thomas, School of Law, Southern Methodist University, Dallas

In addition, a number of persons in higher education institutions and agencies in New York and California gave generously of their time in sharing information and ideas with the Committee chairman.

The Committee is indebted to countless other persons and organizations for support and assistance in the completion of the study and the preparation of this report.

First and foremost, we are grateful to representatives and personnel of the independent institutions of higher education in the state for their cooperation in supplying data for the study and in responding to requests for special information.

The study could not have been completed without the support and collaboration of the Association of Texas Colleges and Universities and the Independent Colleges and Universities of Texas, Inc. The Liaison Committee contracted with the former organization to provide staff services and a project office, and the latter group served as fiscal agent to administer the grant from the Coordinating Board which financed the work.

The study staff was headed by Dr. J. Stewart Allen, Executive Director of the Association of Texas Colleges and Universities, who served as project coordinator. Miss Floy Johnson was research director. Dr. Joe C. Humphrey, on leave from his position as assistant to the president of McMurry College, was institutional liaison officer.

Finally, the Committee wishes to acknowledge with special appreciation the cooperation of the Coordinating Board staff throughout the course of the study. Dr. Jack K. Williams, Commissioner of Higher Education and director of the Board staff, was extremely helpful, as were Dr. Bevington A. Reed, Assistant Commissioner for Senior Colleges and Universities; Dr. Jack L. Cross, Director of Research for Senior Colleges and Universities; Mr. Ray A. Fowler, Assistant Commissioner for Finance and Administrative Services; Mr. Kenneth H. Ashworth, Assistant Commissioner for Federal Programs and Facilities Planning and Development; Dr. David Norton, Director of the Community Junior College Division; and numerous members of their staffs.

For the contributions of all these people and for the opportunity to serve Texas higher education by undertaking this study, we are deeply grateful.

THE LIAISON COMMITTEE

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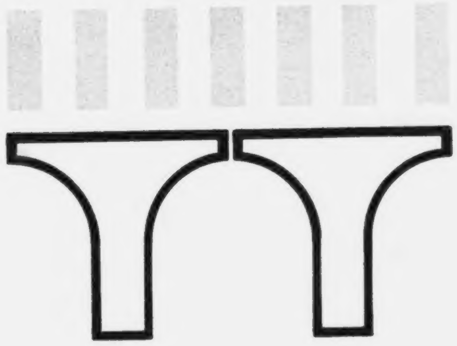


CHAPTER I

NEW CONDITIONS FOR PUBLIC POLICY AND HIGHER EDUCATION

When the Coordinating Board, Texas College and University System, wrote the Liaison Committee on Texas Private Colleges and Universities the letter which authorized and initiated this study, it requested "a statement by the private colleges and universities explaining what they consider their proper place in a state system of higher education, now and for the next two decades."

The complex issues implicit in this request are not new ones. One of the great controversies of the Constitutional Convention of 1876 centered on whether the state should subsidize the already-existing private institutions or establish and support a system of public education. The convention's decision to embark upon the latter course did, in fact, establish a dual Texas system of higher education, setting the newly-born public colleges and universities alongside the older private institutions.

The development of both sectors of this dual system over the years has been largely unplanned and, to a great extent, unbalanced. Although in the earlier period the private sector carried the major responsibility, today it is the public institutions which, by virtue of their size, financial resources, and facilities, are prominent in the foreground of the state's higher education picture.

Thus the question is put again, but in an essentially reversed context. In the mid-1870's, the state had to decide whether private institutions alone were sufficient to meet educational needs—whether there would also be public colleges and universities to take part in the educational enterprise. At issue in both times of decision is the dual system of higher education—then, whether it would be established; now, whether it will be maintained.

Although the question itself is old, the context within which it is asked is new. The context within which it must be *answered* is also new. We are all aware of the explosions of numbers and of knowledge, and we all recognize and share the growing concern over increasing costs and the scarcity of faculty and facilities. Yet the modern revolution in higher education encompasses far more than these explosions and concerns; it touches off broader problems and raises crucial questions of public policy. Indeed, the magnitude and scope of this revolution have put society's whole approach to higher education on trial. Thus the charge to the Liaison Committee calls for insightful understanding, careful study, and thorough analysis. A clarion call has been sounded for appropriate answers and bold action.

Specifically, the revolution in higher education requires of us an understanding of and a response to three large areas of policy.

The *first* such policy area is the crisis of the campus. In recent years and months we have seen the educational processes of great colleges and universities come to a complete halt because of disturbances of many kinds. It must be pointed out, however, that many of the most pressing and dramatic problems at issue in campus riots and demonstrations today are not of the institutions' own making. It is clear that the campus has become one of the real battlegrounds for conflicting values and ideologies. It is the stage upon which scenes accentuating the urgent concerns of our society are being acted out. War, drugs, lawlessness—these and many other problems belong to our whole society and are not merely the special provinces of the campus and of young people.

On the campus, which is a microcosm of society, such problems are dramatized by student hippies, militants, and leaders in the student power and black power movements. This creates special problems for colleges and universities, especially with parents, alumni, sponsoring bodies, legislators, local communities, donors, and friends. It also creates problems and pressures for administrators of the institutions. In a number of cases, these pressures have become so intolerable that presidents and other administrative officials have resigned. The seriousness of the situation is illustrated by the fact that there are now about 100 vacancies for presidents and 600 for deans in American colleges and universities.

The private sector of higher education has by no means been exempt from such problems, but we believe it may have a special contribution to make in the solution of them. Some of the institutions in the private sector, because of their independence and potentially more flexible approaches, may be able to serve as pilot plants for dealing with student rebellion and unrest.

In any case, such questions and conditions require new understanding and policy leadership on the part of all segments of higher education.

The *second* broad policy area concerns the new functions of higher education, particularly the use of the college or university as an instrument of social change. Education of individuals has always been an important force for such change. Colleges and universities have been the birthplaces of major ideas for social and scientific development. In recent years, the nation's institutions of higher education have been called upon more and more to assist in research concerning the problems of our society and to suggest solutions to them—in short, to become instruments of social and governmental policy and action. This has occurred, for example, in the operation of government scientific research programs by universities, individually or cooperatively. Other program activities are also involved. This raises new and important policy questions about the functions of higher education.

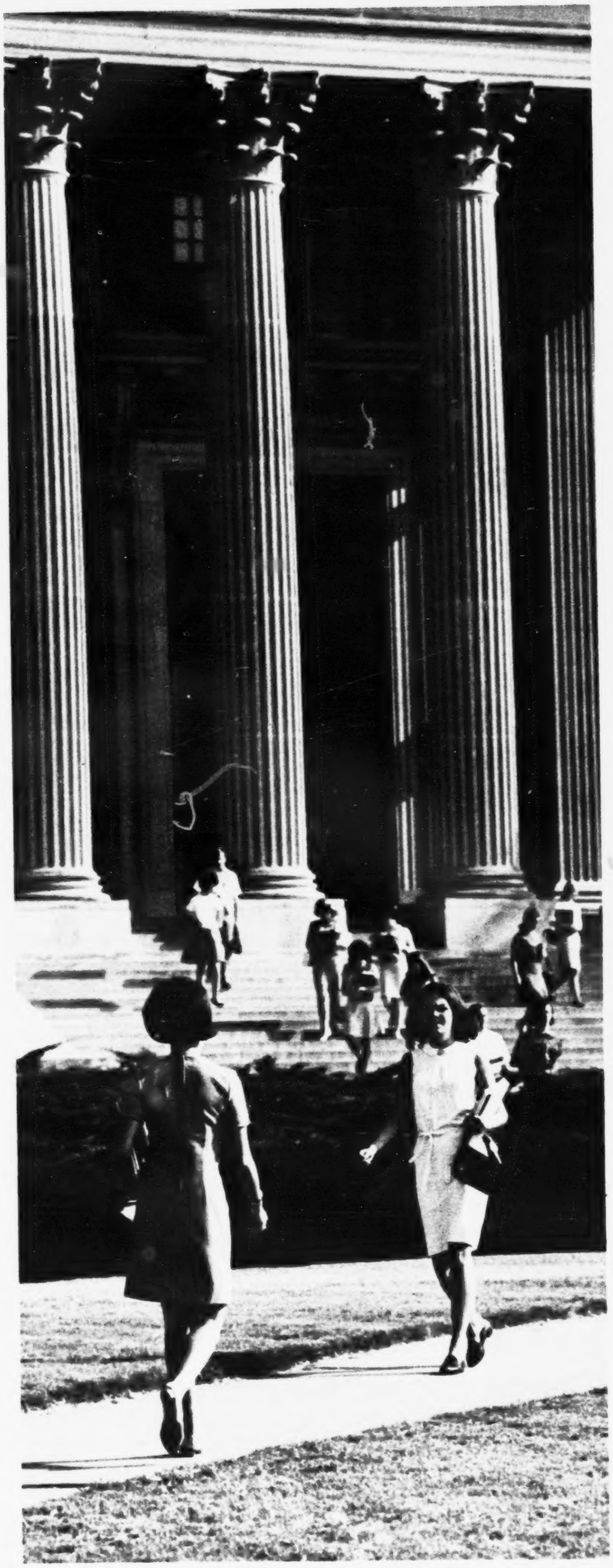
Are we today asking the colleges and universities to assume a different and broader role in society? If so, to what extent do the new tasks make higher education an arm of government operation? Is fulfilling this new role changing the nature of teaching and the free pursuit of knowledge?

Research, special projects, and programs to meet the demands of society complicate the operation of a college or university and add new responsibilities to its traditional ones of teaching and basic research.

These traditional responsibilities, and the freedom in which to fulfill them, are now more crucial than ever and yet more precariously balanced as institutional programs concerned with social change, national defense, and other problems cause a new political involvement which has not existed heretofore.

Thus the public policy questions as to the nature of the higher education system's role and the tasks of the institution now need to be reviewed and rethought. In short, in the light of the new requirements and the competitive situation, we must determine whether the past tradition of a dual system. diversity of programs. large and small institutions, and teaching and research can and should be maintained.

A *third* policy area concerns the so-called Fifth Freedom—freedom from ignorance. In recent years there has been developing in this country, because of society's needs and pressures, an acceptance of mass higher education. Political and educational leaders



have been talking in terms of universal higher education to the limit of each person's ability, regardless of his income—"free" higher education. The history of our country shows the gradual evolution of this idea. As our society becomes more complex and more technologically demanding, one of the responses has been to have everyone acquire more formal education.

The right of every man "to develop his talents to their full potential—unhampered by arbitrary barriers of race or birth or income"—has become one of the great new thrusts of our time. It was expressed as a national policy direction by President Lyndon B. Johnson in his Education Message to Congress in 1968:

> On January 6, 1944, President Franklin D. Roosevelt set forth to Congress and the people "four essential freedoms" for which America stands.
>
> In the years since then, those four freedoms—Freedom of Speech, Freedom of Worship, Freedom From Want, and Freedom From Fear—have stood as a summary of our aspiration for the American Republic and for the world.
>
> And Americans have always stood ready to pay the cost in energy and treasure which are needed to make those great goals a reality.
>
> Today—wealthier, more powerful and more able than ever before in our history—our nation can declare another essential human freedom.
>
> The fifth freedom is Freedom From Ignorance.
>
> It means that every man, everywhere, should be free to develop his talents to their full potential—unhampered by arbitrary barriers of race or birth or income.
>
> We have already begun the work of guaranteeing that fifth freedom. The job, of course, will never be finished. For a nation, as for an individual, education is a perpetually unfinished journey, a continuing process of discovery.

There have been similar statements of educational goals by Texas leaders and public officials; yet few persons have given any real thought to what this means to the higher education system in regard to special programs, structures, costs, and, most important, the timetable necessary to undertake and achieve such goals. The Coordinating Board's enrollment projections are certainly in that direction, in terms of increasing numbers, but they fall far short of reflecting an implementation of universal higher education to the limit of every student's ability.

Such a public policy as that which has been proposed to the Congress, and which is advocated by a number of state and national leaders, would have a serious effect on the higher educational planning process of a state, and on the private sector.

The broadening of the program and the base which would be necessary to provide universal higher education must be understood both in terms of its implications for the educational system and in terms of the investment and meaning it has for a society of free men.

Against the background of these important issues, the Liaison Committee now asks the central public policy question of this study:

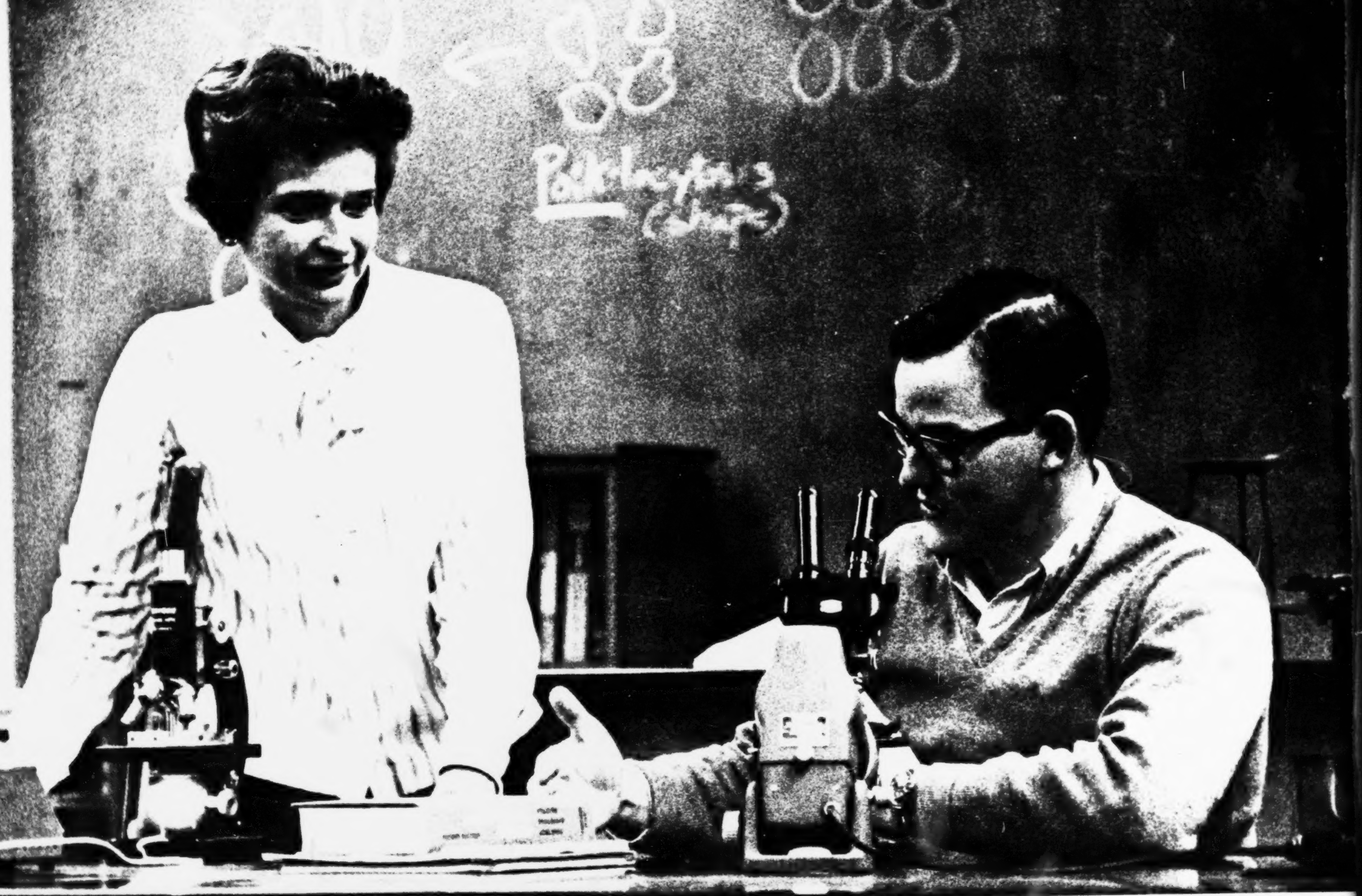
SHALL TEXAS CONTINUE TO HAVE AN INDEPENDENT SECTOR, OR SHALL IT ESTABLISH A VIRTUAL GOVERNMENT MONOPOLY IN HIGHER EDUCATION?

In answering this question, most people state at once that a private sector of higher education is very desirable, but their affirmative replies are more philosophic than realistic. Despite the general consensus that the private sector of higher education should be maintained, public policies, whether purposely or unintentionally, are causing the private sector to wither —or at least to decline to the point where it will be insignificant in its contribution and importance.

An informed and realistic answer to this crucial question must be based on an understanding of the strengths and weaknesses as well as the role and purposes of the independent sector. The acquisition of such understanding must be approached from two main directions:

1) From the standpoint of the size of the educational task ahead and on the basis of a knowledge of the contribution and role of the private sector of higher education; and
2) From the standpoint of how answers can be found to the problems and challenges of higher education and how leadership can be given in formulating public policy and plans for the future higher education needs of Texas.

The next two chapters will pursue these points of inquiry.



SEARCH
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CHAPTER II

VALUE OF THE EXISTENCE OF THE INDEPENDENT SECTOR

In attempting to determine the size and extent of the higher education task which confronts Texas and what the independent sector can contribute to its accomplishment, more specific questions must be asked:

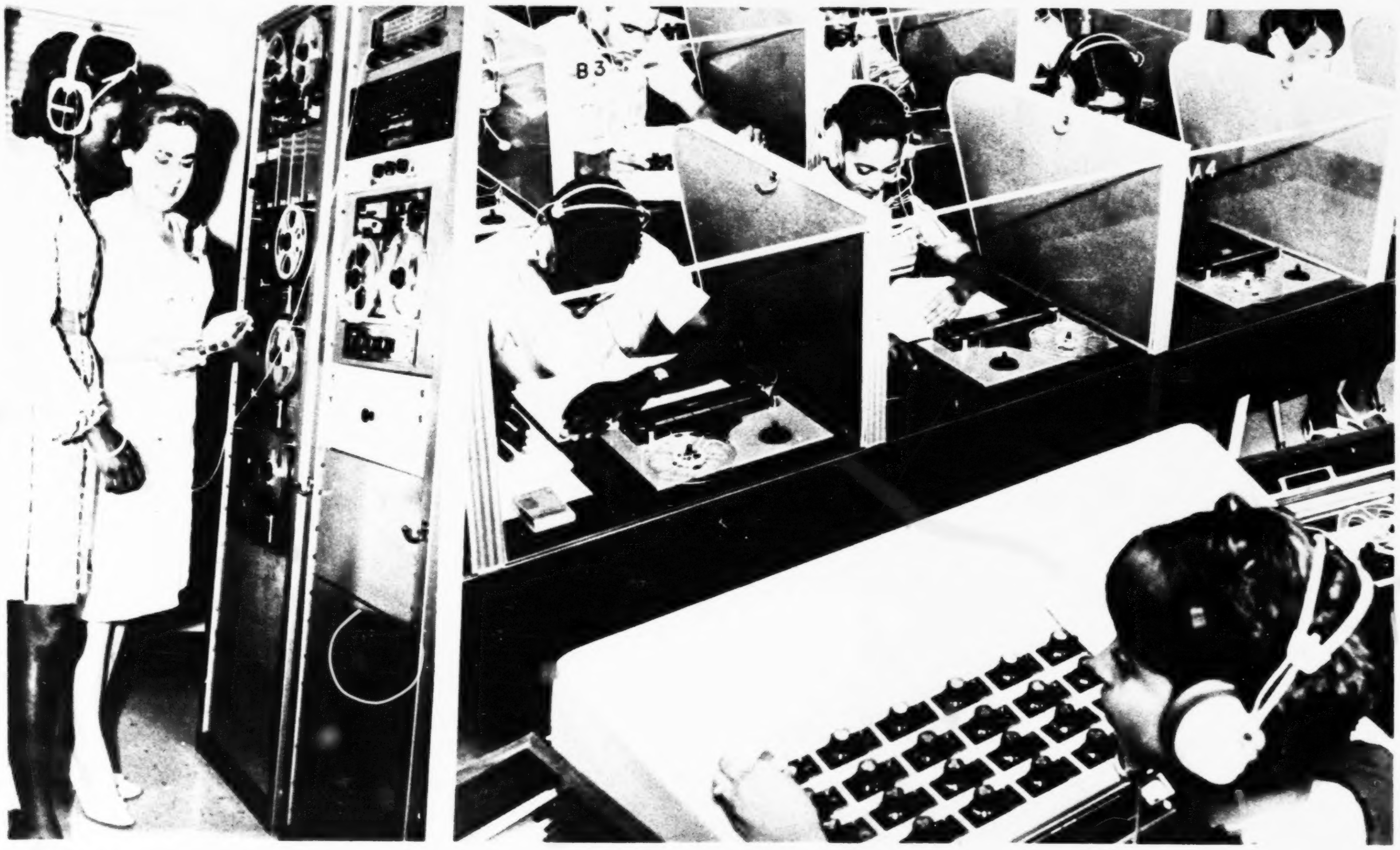
1) How big is the educational task, and does the state really need any help in accomplishing it?
2) What does the state gain by having an independent sector of higher education?
3) Does the independent sector still have real value for the present and future, or has it outlived its historic usefulness?

The Size of the Task

The answer to the question, "How big is the educational task?", is vitally influenced both by the growing belief that universal opportunity for higher education is the right of all people—the Fifth Freedom—and by the fact that educational costs are increasing at a rate faster than the growth of the general economy.

One recent study suggests that 75 percent of all high school students have the intellectual capacity for further formal education. If this Fifth Freedom is accepted as a policy, it then becomes the state's responsibility to encourage all qualified young people to attend some type of higher education institution.

This is quite a different task from preparing for a "going to college" rate increase of from the present 28.2 percent to 43.5 percent in 1985, which figure the Coordinating Board has used as the basis for its planning. Furthermore, the difference between 43.5 percent and 75.0 percent is directly related to the quality of life that will exist in Texas during the next 10 or 20 years. Numerically, the difference between 43.5



percent and 75.0 percent of the college-age population in 1985 is 597.400 students. Chart I shows the difference the 75 percent rate would make in the enrollment projections. Instead of the 824.900 students the Coordinating Board predicts will be in Texas colleges and universities in 1985, there would be more than 1.4 million.

The projected costs of higher education in Texas, whether estimated on the basis of 43 percent or 75 percent, are staggering. On the basis of present educational and general budget expenditures per student in the public sector, which are estimated to increase at the rate of approximately 8 percent a year, the following would be the total educational and general expenditures for *all* students who are projected by the Coordinating Board to be in higher education in the

Table 1
ESTIMATED COSTS FOR ENROLLMENTS PROJECTED BY COORDINATING BOARD, 1970–1985

Year	Costs for Junior College Students	Costs for Senior College Students	Total
1970	$ 94,150,400	$ 352,621,500	$ 446,771,900
1975	230,061,350	633,320,400	863,381,750
1980	447,996,400	1,076,410,400	1,524,406,800
1985	771,768,000	1,836,299,400	2,608,067,400

years listed.

If the Fifth Freedom concept were adopted as public policy and the state increased the proportion of students in higher education to 75 percent of those in the 18-to-24 age bracket from 1970 to 1985, assuming the ratio between junior and senior college students used in the Coordinating Board projections, higher education *operating costs alone* could be those shown in the following table. The total estimated cost for 1985 is 70 percent more than the budget for support of all state government in the fiscal year ending August 31, 1968.

Table 2
ESTIMATED COSTS FOR ENROLLMENTS BASED ON FIFTH FREEDOM CONCEPT, 1970–1985

Year	Costs for Junior College Students	Costs for Senior College Students	Total
1970	$ 94,150,400	$ 352,621,500	$ 466,771,900
1975	327,116,465	785,755,122	1,112,871,587
1980	865,515,420	1,385,142,600	2,250,658,080
1985	1,998,871,974	2,137,802,238	4,136,674,212

CHART I
PROJECTED TEXAS HIGHER EDUCATION ENROLLMENT MIX BY LEVEL AND BY POLICY ALTERNATIVE, 1968-1985

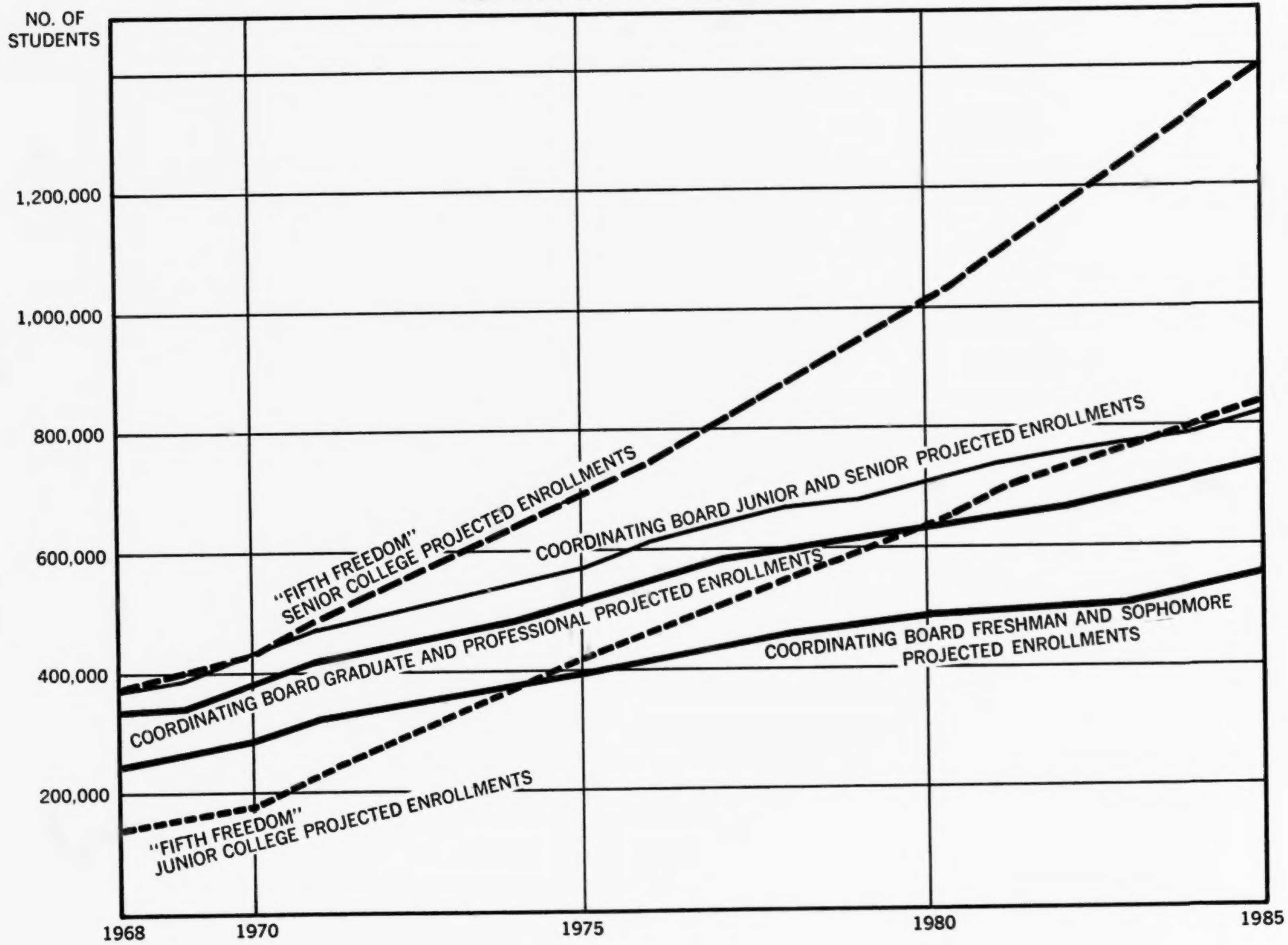
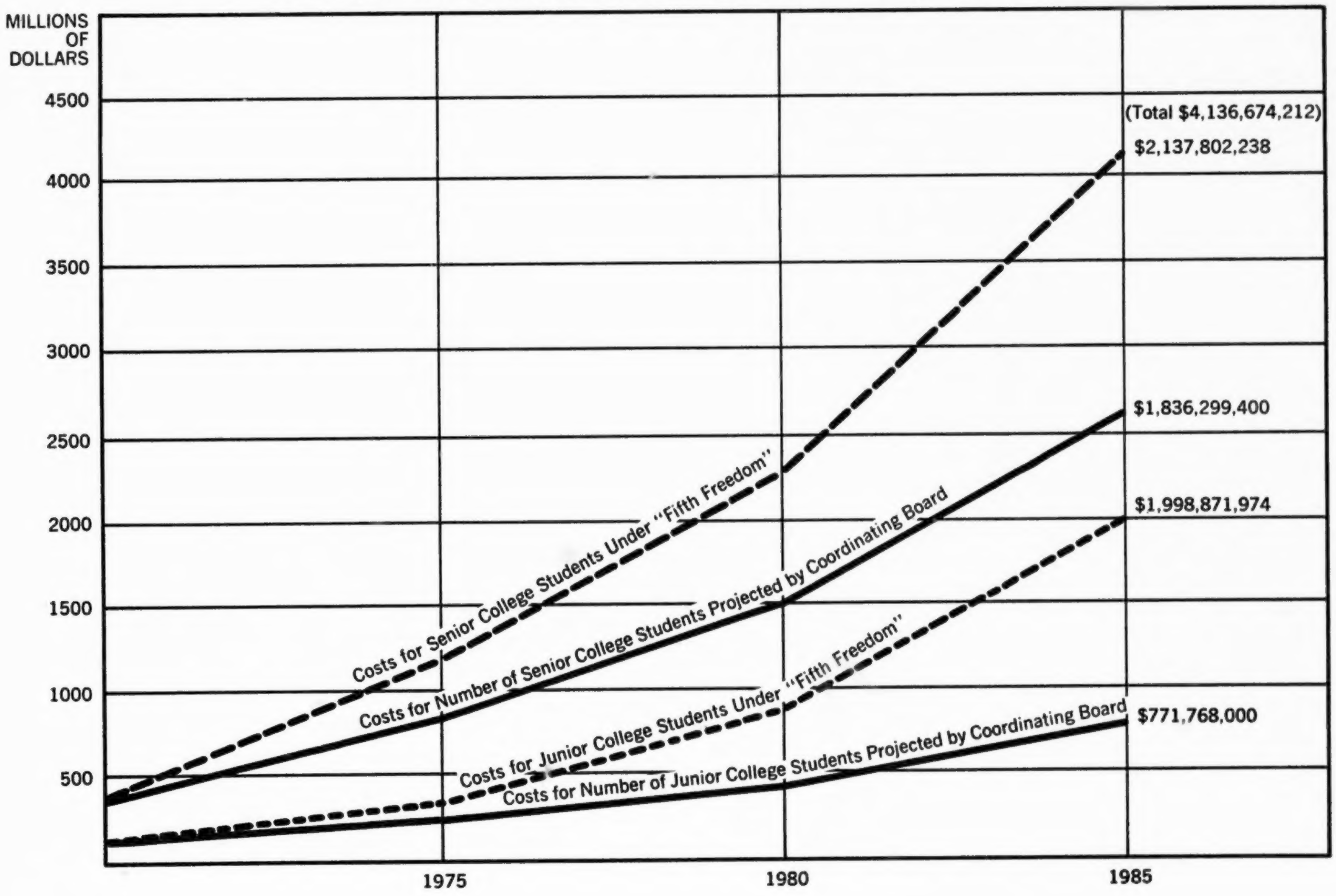


Chart II shows the various levels of costs for the student enrollment alternatives discussed. If 75 percent of all students in Texas were to attend some type of higher education institution, the ratio would almost inevitably shift even more in favor of the junior colleges. Because of the expense of developing these new programs, however, junior college costs would also increase much more rapidly than presently projected. Thus the totals of the figures shown on the chart are probably accurate, even though the ratio between junior and senior college students would be different.

The cost projections discussed above represent conservative estimates. They do not include any capital expenditures. If it is necessary to build new colleges or expand existing ones to accommodate this increase in the going-to-college rate, as it undoubtedly would be, the bill would be much higher. The Coordinating Board has projected a minimum cost of more than $5 million for a new junior college which can accommodate 1,000 students and a minimum cost in excess of $34 million for a senior college to accommodate an enrollment of 6,000. This would mean an additional minimum capital investment in excess of $2.5 billion to accommodate a 75 percent going-to-college rate by 1985. These projected capital costs do not include dormitories, research laboratories, or intercollegiate athletic facilities. Furthermore, they are based on current construction costs, which can be expected to increase from 5 to 15 percent a year.

Under any set of alternatives, 1985 higher education operating costs for educational and general purposes will vary from $2 to $4 billion, depending upon the proportion of its young people the state decides should be given opportunity for higher education. The bill will be even larger if, along with increasing numbers of students, the quality of education is also significantly improved. The economy of Texas is growing, however, and is projected to grow at a tremendous rate. It should be possible for the state to provide these higher education opportunities *if* the public policy decision is made to do so.

CHART II
PROJECTED OPERATING COSTS FOR TEXAS HIGHER EDUCATION, 1970-1985



The following quotation from a study on financing higher education in Texas illustrates this point:

> Texas has the ability to finance excellence in its institutions of higher learning. It has been making only a modest effort on behalf of higher education and can easily pick up its expenditures without putting a significant strain on the economic resources of the state.[1]

Most economists believe that it is the "investment in man" concept, of which education is a vital factor, which has played a crucial role in the economic growth of this country. If this is true, it becomes imperative for Texans to make whatever investment is necessary in higher education so that the base for further economic growth will be broadened and extended.

The study previously cited points this out:

> Investment in higher education appears to be an investment which is at least as profitable as any alternative investment, whether viewed from the standpoint of society investing its resources or from the standpoint of individuals investing their assets and time. Using many different approaches, most economists conclude that there is underinvestment in higher education today.[2]

In terms of the specifics of financing Texas higher education, the question becomes "Who pays?" One leading educator has pointed out that, with current high costs and the prospect that they will continue to increase rapidly, there is no such thing as "low cost" higher education. What is usually meant by the use of this term is higher education which is "low priced" from the student's viewpoint. The dilemma has been stated in this way:

> The issue finally boils down to one of equity: How should the burden be divided? Since tuitions are really taxes levied on the benefit theory, the question is: How much of the finance of higher education should be assessed against students and their parents who directly benefit from higher education; [how much the sponsor of the college or university should pay for providing the service]; and how much should be assessed against society as a whole, which also benefits from higher education.[3]

Regardless of which figures on enrollments and costs are used, and regardless of who pays in what proportions, the task ahead in higher education is so large that the entire resources of the state must be mobilized and utilized. Thus, the answer to the question of whether the state needs help in its task seems obvious. Not only does the state *need* help with the job ahead, but it must insist on assistance from private enterprise to preserve a basic principle of our democracy—freedom for the individual—and even private enterprise itself.

The Private Sector's Contributions

The next important question becomes, "What does the state gain by having other sponsors of colleges and universities—the independent sector of higher education?"

To this question there is a two-part answer. The independent sector is providing both financial and educational assistance to the state.

In 1967–68, the private sector colleges and universities had almost $95 million in educational and general budgets and had a total enrollment of about 70,000. Those who directly received this education and those who sponsored it thus made a $95 million contribution to the total state system of higher education in instructional costs alone. Total budgets for the institutions in 1967–68 were more than $185 million. If the state were to duplicate the physical facilities of the private sector to take care of the students now accommodated in the independent institutions, the cost would be in excess of $620 million simply to replace existing plants at today's prices.

Because the contribution of the private junior colleges and the unaccredited senior colleges is relatively small, they were excluded from a detailed analysis of costs and contributions to the total state system. In 1967–68, the private sector accredited senior colleges and universities had educational and general budgets in excess of $85 million, at an average per-student cost of $1,861, educating more than 56,000 students. If the private sector had not existed and the state had absorbed these students into the public higher education system, the cost to the state and its taxpayers for instructional costs alone would have been about $70 million for that year. No capital costs are included in this figure.

A note of caution must be sounded concerning any comparison of per-student costs in the public and private sectors. Per-student costs from appropriated state funds in the public sector senior colleges is estimated at from $1,200 to $1,300. The following factors help to explain the discrepancy between this and the $1,800-plus figure for the private sector institutions:

1) The much greater volume of students in the public sector contributes to lower per-student costs.
2) To help combat and meet rising costs, private sector administrative budgets must include promotion, fund-raising, and student recruitment expenses.

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[1] Daniel Morgan, Jr., *Financing Higher Education in Texas: Needs and Methods*, Institute of Public Affairs, Austin: The University of Texas at Austin, 1965, p. 83.

[2] *Ibid.*, p. 82.

[3] Howard R. Bowen, "The Finance of Higher Education" (unpublished).

3) A slightly higher percentage of enrollment in the private sector senior colleges and universities is at the graduate level than in the public senior institutions—15 percent as compared with 13 percent.
4) Not all funds expended by the public senior institutions for instructional purposes are appropriated by the Legislature.

Even if the lower public senior college per-student costs are used, the private sector of higher education still affords a significant annual saving to the state in terms of operating costs alone—costs which would have to be assumed by the state if the private sector did not exist.

Of course the private sector does exist and is not expected to disappear overnight. A more immediate possibility and equally important consideration is a significant decrease in the percentage of students now enrolled in the independent sector. As the percentage of the total enrollment in private institutions declines, the state will be required to finance the education of students who move from the private into the public sector. The effects of varying decreases below the present 20 percent of total enrollment accommodated by the independent sector are shown in Table 3. The figures shown are based on current state expenditures per student in Texas senior colleges and universities, estimated to increase at 8 percent a year.[4]

Again, these projections do not include the capital expenditures which would be necessary to accommodate the extra students. If graduate enrollments increase appreciably, the costs would be even higher, since expenses are rising even more rapidly at this level.

Other Values of the Private Sector

The preceding discussion has dealt with the financial and educational contributions the independent sector makes to higher education in the state. The private colleges and universities also make another contribution which cannot be measured in dollars—a contribution no less real because it is intangible and difficult to define.

Thus we arrive at the third question which this chapter attempts to answer, "Does the independent sector still have value for the future, or has it outlived its historic usefulness?"

The independent institutions add greatly to the total quality of higher education by offering variety, diversity, and freedom of choice which are necessary in a pluralistic society—and the range of choice is greater than just between the public and the private sectors. It is within the range of all the possibilities which the private sector itself provides.

By its existence, the independent sector guarantees that students shall have a choice in the kind of education they receive; that private enterprise and philanthropy shall have a choice in the kind of education they sponsor and support; and that faculty shall have a choice about the kind of system in which they teach.

All higher education, whether supported by public or private sources, has a public service function. Currently, the independent sector is educating 70,000 students—one-fifth of all those in Texas colleges and universities. It helps to train the manpower to serve the total needs of the people of Texas by educating students who are going into nearly all occupations and professions, particularly teachers, doctors, lawyers, engineers, and scientists. It channels huge sums of private funds, which would otherwise not be available for that purpose, into higher education. It also adds greatly to the cultural, social, and educational life and level of the state.

The private colleges and universities also contribute to the whole of society a special quality, character,

Table 3

ADDITIONAL COST TO THE STATE FOR REDUCED PERCENTAGES OF TOTAL PROJECTED ENROLLMENT IN INDEPENDENT SENIOR INSTITUTIONS OF HIGHER EDUCATION, 1970–1985

	If Percentage of Enrollment in Independent Senior Institutions Is					
	20%	18%	16%	14%	12%	10%
			Additional Cost to the State Will Be:			
1970	-0-	$10,794,630	$17,847,060	$ 24,899,490	$ 31,951,920	$ 34,384,350
1975	-0-	12,768,228	25,434,636	38,101,044	50,767,452	63,433,860
1980	-0-	21,478,328	43,006,536	57,800,944	86,062,952	107,591,160
1985	-0-	36,066,108	72,792,096	109,518,084	146,244,072	182,970,060

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[4] These calculations of additional costs to the state are based on a methodology set forth in *An Outline of Statewide Planning and Organizational Considerations*, prepared for the Liaison Committee by Baxter, McDonald and Company, Consultants in Planning and Management, Berkeley, California.

and style of life because many of them are operated under educational philosophies which are concerned with the wholeness of life rather than just the academic aspects of it. The Judeo-Christian tradition upon which Western civilization is built is being perpetuated and furthered by many of these institutions. Their founders were advocating an elementary version of the Fifth Freedom ("Every Child of God should be able to read and write.") long before a public educational institution opened in this state. They do not simply reflect contemporary society and its seeking of values by consensus but provide positive inputs of values and moral standards into that society. Their educational aims and purposes are directed not solely toward meeting social needs as they exist but toward giving society a set of positive values which have meaning and relevance in terms of resolving the dilemmas our nation and state face today.

The independent colleges and universities also produce much of the church leadership for this state and the Southwest area, as well as a number of such persons for the nation as a whole. This does not consist merely of clergy and other full-time religious workers; it also includes much of the lay leadership for various denominations. This is not to say that the religious origins and church sponsorship of many of the independent colleges makes them in any way superior to the public institutions; it is to argue that the traditional church affiliations of these colleges and universities are no less valuable to society than the neutralism of the government-supported ones and that their "difference" is an asset to a state and nation which have found great strength in diversity.

Because aggressiveness has been necessary to establish and maintain the independent institutions, they are well equipped to serve as seedbeds for the initiative which is necessary for the maintenance of the whole private sector of our society.

The independent sector institutions also have special potential for serving as "centers of initiative" for research and development, not only for higher education but for many of the needs of society.

The smallness and residential nature of many of the independent colleges and universities can also be cited as differences and strengths of the private sector. Unlike the public institutions, they are not obliged to accept all qualified applicants and may limit their enrollments. As a result, they are in a position to remain relatively small and to preserve the more intimate, flexible, and personal atmosphere which has been considered a major advantage of smaller institutions.

Another important contribution to diversity results from the fact that the public institutions are controlled by a legislature and a political process, whereas each private college and university represents a different sponsorship and method of control. However, each sector accounts in its own way to the people.

Often the private colleges are tempted to contrast themselves with the public colleges, but such a comparison misses the point. The meaningful contrast comes between a dual system of higher education and a monolithic system.

The trends toward homogeneity, uniformity, and standardization which result from large size, use of funding formulas, cost analysis, and even accreditation standards are forces which tend to make institutions alike; yet diversity and competition of ideas are fundamental if the dual system of higher education is to be preserved and the monolithic system rejected.

The eventual results of such trends, if they continue unchecked, have been described in this way by an authority in the field of higher education:

> In a few years, then, the spectrum of American higher education may range only from larger to largest universities, all offering or attempting to offer the Ph.D. in all disciplines and professional degrees in all fields; all attempting to appeal to men and women of all creeds, colors, and classes from all the states and abroad; each supported by an only slightly varying formula of student fees, endowment income, state and federal grants, and private and foundation gifts; and all striving for the same percentage of Ph.D.'s in the faculty, the same number of books in the library, and the same per capita figures on alumni giving. This is, in my judgment, a consummation devoutly to be deplored. Homogeneity strengthens few of us; it diminishes us all. As a collection of free and autonomous institutions, we are the light of the world; as an undifferentiated mass, we cannot be excellent in anything.

To make a case for a dual and pluralistic system of higher education is to make a case for both the public and private colleges and universities.

Certainly the public and private sectors of higher education share many common goals. There are strengths in both sectors; there are weaknesses as well. The challenge to the state is to find ways to minimize those weaknesses by maximizing the strengths through the mutual advantages each gives to the other.

CHAPTER III

EDUCATIONAL LEADERSHIP—THE ROLE OF THE COORDINATING BOARD

In attempting to answer the central question concerning the future role of the private sector in Texas higher education, the Liaison Committee has said, as the question assumes, that there is a place for the private sector in the total state system and that its resources and contributions, financial and otherwise, are absolutely necessary if the state is to meet its obligations in this area.

The questions then become those of how the private sector's role is to be determined, how it is to participate in the total system, and what such participation means to the private sector, the public sector, and the total higher education enterprise.

How these questions will be answered is the concern of the second line of inquiry, which has to do with the problem of providing the necessary leadership to get answers to public policy questions in higher education and formulating the necessary plans and programs to meet the higher education needs of a growing Texas. Such leadership and programs will be provided by the master planning process now being developed under statutory mandate by the Coordinating Board, Texas College and University System.

Nomenclature is very difficult in an attempt to deal with concepts of the public functions of private higher education and whether the term "state system" refers to the total Texas system or only to the state government-sponsored institutions. Distinctions are further blurred by the fact that increasing amounts of private funds are going to public institutions. For purposes of clarity, at least for the discussion in this chapter, the colleges and universities sponsored, created, or owned by the government and supported primarily by tax funds will be referred to as "government colleges and universities," and those sponsored by non-government or private groups or organizations will be called "independent colleges and universities." The state system, including both the government and independent colleges and universities, will be referred to as the total higher education enterprise. The government system will, of course, refer to the government colleges and universities, in contrast to the independent system.

There is also need to distinguish between broad "public policy," which would deal with the total higher education enterprise, including both independent and government colleges and universities, and "government policy" (sometimes referred to as state policy), applying to government colleges and universities only. The following is a discussion, within this context and nomenclature, of the role of the independent sector in the state system of higher education —historical, current, and future—in relation to the potential of master planning and the role of the Coordinating Board.

Historical Background

To provide perspective, it will be instructive to take a brief look at the chronology and sequence of events which gave us the present structure for planning.

Higher education in early-day Texas was almost exclusively the province of the independent school and the few who could afford to attend it. Recognizing the importance of encouraging educational enterprise, the state made grants of funds and land to a number of these institutions, both before and after the Civil War. Although the need for one or more government colleges or universities had been recognized since the time of the Republic of Texas, it was not until 1871 that the first public institution, the Agricultural and Mechanical College of Texas (now Texas A&M University) was authorized. The impetus for the founding of the college was the federal Morrill Act, designed to encourage the establishment of institutions of higher education to offer instruction in the agricultural and mechanic arts through grants of land to the states for this purpose. The University of Texas did not begin operation until 1883. Meanwhile, a number of independent institutions were flourishing, including some of those still in operation today—Austin College, Baylor University, St. Mary's University, Trinity University, and Southwestern University, for example. Interestingly, the latter institution gave up the name "Texas University" in 1875 to avoid confusion with the new University of Texas being planned in Austin.

It has been mentioned that one of the great controversies of the Constitutional Convention of 1876 was centered on whether the state should establish and support a system of public education or whether it should subsidize the existing private institutions. In the end, the forces advocating government-sponsored institutions won, and public higher education in the state began its largely unplanned and uncoordinated growth. New independent institutions also appeared on the scene, and existing ones continued to grow.

Local initiative and ambition influenced the location of many schools, and, once in existence, the institutions tended to expand their programs and increase the levels of their offerings as fast as possible without regard to what was happening in the state as a whole.

That the resulting problems were recognized is evident from the fact that between 1923 and 1949 the Legislature requested two major studies of higher education in the state. By 1949, there were 18 government-supported senior colleges and 33 public junior colleges, and the post-World War II enrollment crush had engulfed them. Again focusing its attention on the problems of higher education, the Legislature turned to the newly created Texas Legislative Council and asked it to study the whole area and to make recommendations.

The study report pointed out that government-sponsored higher education in Texas had grown in a random and haphazard way. There was no real planning, coordination, or overall control of the institutions. There was fierce competition among them for legislative appropriations, and their programs and degree offerings proliferated without due regard for costs or duplication of effort.

Among the major recommendations which resulted from that study was one which advocated some kind of effective coordination for the government higher education system in the state. A number of alternative plans, some already in effect in other states, were explored and their advantages and disadvantages noted.

Though the need was apparent, progress toward effective coordination was slow. Toward the mid-1950's, a temporary Commission on Higher Education worked toward the establishment of a permanent coordinating authority. The Commission on Higher Education was created as a state agency in 1955. It made some progress toward the goal of coordination for the government higher education system, but, for a number of reasons, including the lack of adequate enforcement powers and lack of jurisdiction over the junior colleges, which remained under the administrative control of the Texas Education Agency, it did not exercise the leadership that had been envisioned for it. Meanwhile, higher education continued to grow; appropriation requests continued to mount each biennium; and problems continued to multiply.

In his opening address to the Legislature in 1963, Governor John Connally recommended emergency legislation creating a committee to study the status of public and private education beyond the high school and to recommend essential steps for "achieving a standard of excellence second to none in the nation." A bill establishing such a committee was given prompt attention by the Legislature. The 25 members, including both laymen and educators from a variety of government and independent institutions, were appointed in May of that year and began their work.

The major recommendation of the Governor's Committee on Education Beyond the High School, when it reported in August, 1964, was that the state establish a strong coordinating board for higher education. Junior colleges were to be brought under the jurisdiction of the new board so there would be a unified approach to all higher education.

Legislation implementing these recommendations was passed in 1965, and the Commission on Higher Education was reconstituted the Coordinating Board, Texas College and University System, effective September 1 of that year.

Up to the time the Governor's Committee on Education Beyond the High School was created, state law had to all intents and purposes ignored independent higher education. The legislation which created the committee specified that such colleges be included in the group's considerations. The act included this language:

> The Committee shall study the present status of public and private education beyond the high school with a view towards recommending to the Governor and the Legislature essential steps for achieving a standard of excellence second to none in the nation . . .
>
> Assay the present and potential resources of existing institutions and systems, both private and public, for providing education of requisite quality for meeting these needs.
>
> Propose a comprehensive development of programs and facilities for education beyond the high school of adequate quality to enable Texas, with maximum economy of resources and with preservation of the autonomy and voluntary character of private institutions, to seize and capitalize upon the opportunities for progress in the next decade.

The statute creating the Coordinating Board also recognized the past and potential contributions of the independent institutions. Section 21 of the law (*Vernon's Texas Civil Statutes*, Article 2919e) provides that:

The Board shall enlist the cooperation of private colleges and universities in developing a statewide plan for the orderly growth of the Texas system of higher education, shall encourage cooperation between public and private institutions of higher education wherever possible, may enter into cooperative undertakings with such institutions on a shared-cost basis as permitted by law, shall consider the availability of degree and certificate programs in private institutions of higher education and shall cooperate with such private institutions, within statutory and constitutional limitations, to achieve the purposes of this act.

The Coordinating Board's Role and Responsibilities

Although the legally assigned responsibilities of the Coordinating Board are usually thought of as being concerned solely with the government colleges and universities, they also involve to a considerable extent the independent institutions of higher education. It seems clear that the Coordinating Board has been given the following types of responsibilities:

1) Coordinating the various state and local government-sponsored colleges and universities by supervising program and institutional authorizations and providing the usual budget and other services to the Governor and the Legislature; (This portion of the Board's responsibility is not directly involved in our present consideration except to distinguish it from the other functions, to recognize the magnitude of this operation, and to raise the possibility that it could absorb the complete attention of the Board and its staff.)
2) Developing a statewide master plan for the orderly growth of the Texas system of higher education, with the cooperation of the independent colleges and universities and taking into account the programs they offer;
3) Encouraging cooperative arrangements wherever possible and legally permissible and entering into cooperative arrangements on a shared-cost basis; and
4) Administering certain programs for both government and independent institutions as the responsible agency for the state. Examples are the federal facilities grants program and the Texas Opportunity Plan loan program.

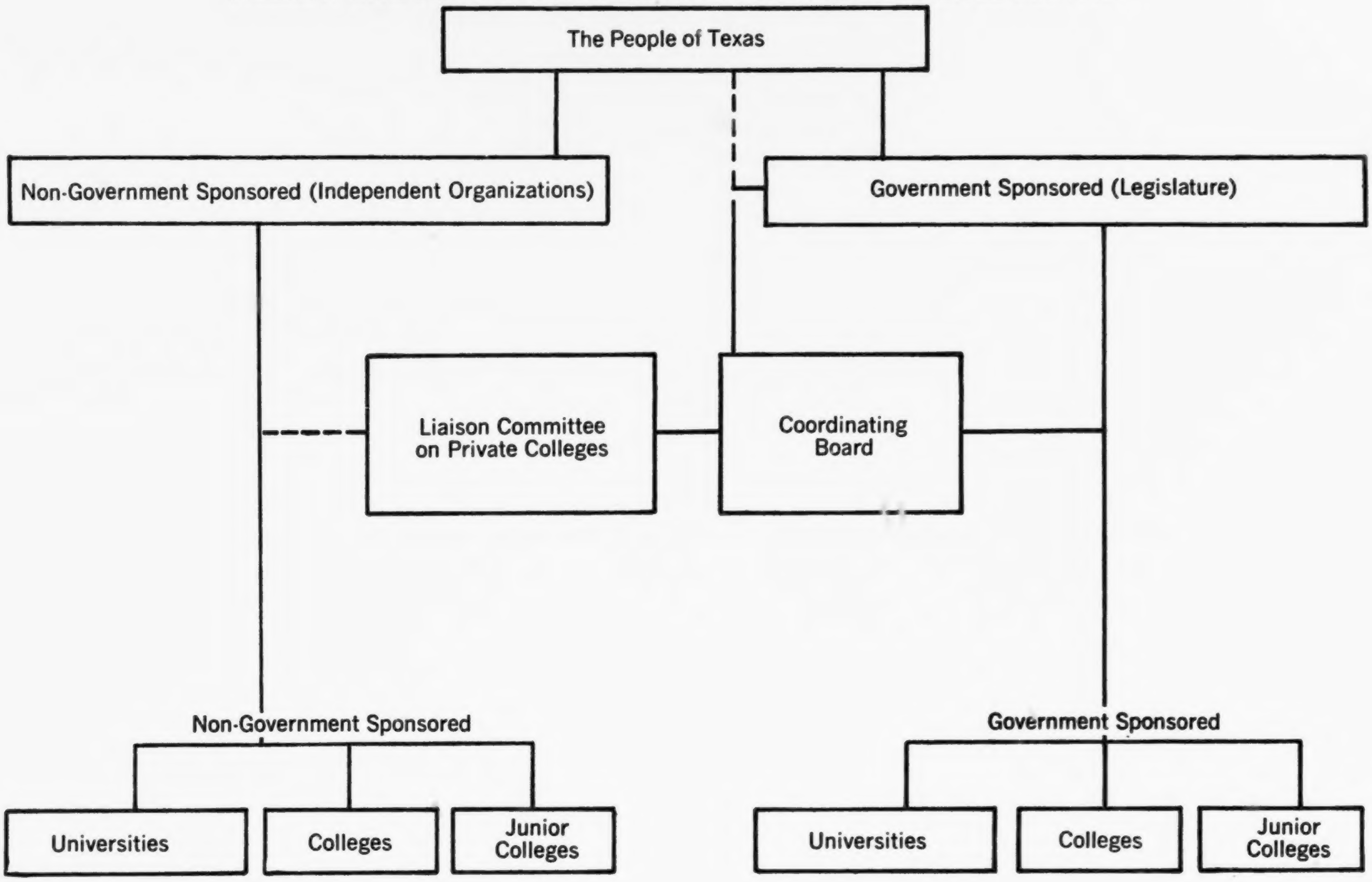
Three out of the four functions listed involve the independent sector directly, and the other activities involve it indirectly.

The broad, overall public policy stance and responsibility of the Coordinating Board can be further identified by one of the two titles used in the Board statute to refer to the chief staff officer. One title, executive director of the Coordinating Board, relates to his coordinative and administrative duties with regard to the government-sponsored institutions, as discussed in the first-listed function above. The other title, Commissioner of Higher Education, denotes that he is serving the Board in its overall concern for the total Texas higher education enterprise—government-sponsored and independently-sponsored—in the development of a master plan and in other broad areas of responsibility and concern implied by the last three listed responsibilities. Hence the public nature of the Board and its role in making total public higher education policy are emphasized.

THE LIAISON COMMITTEE FINDS ABSOLUTELY CENTRAL AND CRUCIAL THE ROLE, STANCE, AND LEADERSHIP OF THE COORDINATING BOARD FOR THE DEVELOPMENT AND FUTURE OF ALL TEXAS HIGHER EDUCATION—PUBLIC AND PRIVATE.

The people of Texas, through the Legislature, have provided planning and leadership for the whole of Texas higher education, as well as coordination of the government-sponsored colleges and universities, by establishing the Board. It is easy, as evidenced by the experience of other states, notably New York, for such a body to become preoccupied with pressing routine and fail to develop a structure to provide overall planning and leadership.

CHART III
PRESENT ORGANIZATIONAL STRUCTURE FOR TEXAS HIGHER EDUCATION


The People of Texas
Non-Government Sponsored (Independent Organizations)
Government Sponsored (Legislature)
Liaison Committee on Private Colleges
Coordinating Board
Non-Government Sponsored
Universities
Colleges
Junior Colleges
Government Sponsored
Universities
Colleges
Junior Colleges

In a very real way, the Coordinating Board represents all the people of Texas, especially in its public policy and planning functions. Even the composition of the Board reflects this. It is composed of "public members" nominated by the Governor and confirmed by the Senate. No member may be employed professionally for remuneration in the field of education during his term of office.

The responsibility of the Board to place before the Governor, the Legislature, and the people of Texas the broad public policy issues and choices—many of them hard and sometimes unpopular—is necessary and crucial. Such issues demand statesmanship and educational leadership by the Board. Open debate and dealing with them must be encouraged, and the Board must have competent and professional research staff and adequate research funds. Conceding that many such proposals and plans may not be accepted by the Governor, the Legislature, or the people, it is only through the Board's courageous leadership that the visions and the choices may be clearly seen and understood.

One could conceive of the present organizational structure of Texas' total higher education enterprise as shown in Chart III. This general diagram emphasizes the dual nature of the American system of higher education and the central role of the Coordinating Board in that dual system in Texas. If the Board is to perform this important role of educational leadership and meet its obligations under the statute, master planning is a key function. With all education and our society changing so very fast, this is a difficult task. It will require considerably more time and a much greater investment in educational research and planning than Texas has provided heretofore.

The Legislature has assigned the Board a master planning responsibility that includes both the government and independent sectors of higher education. A plan for the total higher education enterprise is now imperative not only because of the size of the educational task but also because of changing needs which require the development of a system capable of meeting them.

It is instructive to study the change in approach to master planning which has taken place over the last decade and to recognize the fact that so many states have been forced into finding ways to plan for better use of their resources and for more orderly and effective growth of the higher education enterprise. The growth in the number of Coordinating Board-type agencies authorized to make such plans is one evidence of the growing need. There is now some such agency in 42 of the 50 states. More specifically, however, the concept of master planning has changed and is still changing.

Initially, a master plan was considered a blueprint —a plan for building a system of higher education in a state. The California master plan has received wide recognition as a blueprint for structure and for its prescription of admission and other standards for each of the government institutional systems—the university system, the senior college system, and the public junior college system. Now, ten years after the plan was put into operation, a Joint Legislative Committee is studying its effects and finding it too rigid to deal with the dynamics of the developing problem. The committee recently reported:

> . . . preliminary deliberations on questions of organization suggest that the current pattern of four independent state-wide systems of higher education may create insurmountable barriers to effective educational planning and result in needlessly costly duplication and dislocation of educational effort.
>
> The current pattern of functional assignments to classes of institutions rather than to individual institutions may, in particular, be a bar to flexible planning. . . . The Committee intends to explore carefully alternative methods of breaking down the barriers that have been built up between the four separate systems—the public junior colleges, the California state colleges, the University of California, and the private colleges and universities—in order to bring about a consolidation of resources and effort and an end to needless competition.

In many ways the State of New York is quite a contrast to California in regard to education. Certainly the New York State Board of Regents is quite different from the multiple governing board set-up in California in that it has authority over all education —elementary, secondary, and higher education, both public and private—and in the fact that it has been in existence for many years. A recent report by a Select Committee on *New York State and Private Higher Education*, of which McGeorge Bundy was chairman, found that "While the Regents possess fully adequate authority to plan and coordinate higher education in the state, private and public, their existing authority is not vigorously exercised. . . . At present, no effective mechanism exists for determining or coordinating the long-range plans of the private institutions as a group." The report further explains the situation as follows:

> In the course of its master plan coordination, the Board of Regents receives plans from City University and State University covering about half of the total statewide enrollment and 65 institutions. From the private sector, however, the Regents receive no coordinated plans. In fact, they receive very little in the way of detailed plans from any of the individual institutions. Some institutions are reluctant to confide in the state's officialdom; others simply have no plans. The situation that arises from this condition is an irritant to all parties; the Regents have no basis—other than past performance—for projecting the future role of the private institutions; the public institutions make their own guesses about what the private schools will do, but feel that they have nothing concrete to work with; the private institutions themselves are of the opinion that they have not been brought into the statewide planning process and that they have not had an opportunity to show what they could do if the ground rules were set out for them.
>
> This general situation has existed for a long time, but it has become acute only in the last few years. The rapid rise of the State University has changed everyone's perspective.

It should be noted further that in 1961 the New York Legislature passed a law establishing a master planning procedure which requires a revision of the master plan every four years, with interim progress reports. The Select Committee recommended that much more emphasis be given to the function of planning, that more staff be committed to this activity, that much more sophisticated methods of projecting needs and enrollments be developed, that planning grant funds be provided annually, and that the Commission of Independent Colleges be regarded as the official spokesman for private institutions and serve as the source of planning information.

The Liaison Committee has studied in detail the question of state higher educational leadership and has spent considerable time and effort in developing an understanding of these growing problems of public policy as they relate to master planning for higher education in Texas. Texas is quite unlike either California or New York; yet educational planners in this state can learn from their experiences. The Liaison Committee has pursued these issues in depth with consultants who have been intensely involved in other states, and they have consistently been impressed with the openness of communication between the government and independent sectors in Texas and the opportunity it has to develop, in the broad context, a very flexible system and plan to meet the higher education problems of the future.

It is the Liaison Committee's strong conviction that master planning is not so much a matter of drawing a specific blueprint as establishing a structure for continuous planning and evaluation through which total and specific needs can be brought into balance with total and specific resources from a statewide view.

It is clear from the experience of other states and from recognition of the accelerated rate of change in our society that plans cannot be made for very long into the future. When they are and the planners look back on the record, they see how very far they underestimated what would be required and the capabilities for meeting needs. Many illustrations can be given, both in terms of higher education and the total economy.

Indeed, the master planning in which the Board is now engaged will, a decade from now, be judged inadequate; but that is not to say it should not be done. It must do the very best it can in predicting future needs and in devising ways to meet them. Texas higher education planners must learn to do a much more sophisticated job of projecting needs and resources, and far more time and money must be invested in this planning function, both at the state and institutional levels. The point here is that the Board's function in master planning is not like that of an architect drawing blueprints for a building. Master planning is a process which is changing every year because of new data, new demands, and new resources which require that the general guidelines be both filled in and adjusted. This planning process cannot be done in isolated parts with the expectation that they will fit into a whole, well-conceived picture. There must be a place where information, ideas, opportunities, and problems can be faced and dealt with in planning terms. This presents few difficulties for the government-sponsored colleges and universities as far as program and institutional authority are concerned. On the other hand, it poses some problems for the independently sponsored institutions in terms of how "cooperative planning" can be effected and about the ways and the extent to which they are a part of the total Texas higher education system.

In concept and in fact, the Liaison Committee finds that the independently-sponsored colleges and universities are a part of the Texas system of higher education. Historically, they have carried 100 percent of the student load. Today, with total assets well in excess of a billion dollars, they carry 20 percent of total state enrollment—more than 70,000 young people in 1967–68. They constitute a continuing resource to the higher education enterprise of Texas.

A Proposed Structure

In planning to meet the higher education needs of Texas, both the government and independent sectors need the data and plans of the other. Unless a cooperative approach is taken, only confusion will result, and the pressures of political, local, and institutional self-interest will work to the detriment of all the institutions and of the future of Texas.

Whether it would choose to be or not, the independent sector is involved. This means that the independent institutions must be understood not only as non-profit corporations created by the state for educational purposes and enjoying certain tax-exempt benefits, but also that they have certain educational responsibilities for serving the public—and doing so largely with private resources. They do escape certain regulations and controls which are imposed upon government colleges and universities. However, they must account for funds and discharge their responsibilities to their sponsoring authorities and the public in much the same way as the government institutions. Their trustees are legally accountable as officers of non-profit corporations.

Many people are saying today that, for some of the reasons listed above, the distinction between public and private higher education is difficult to see and that such designations are probably misnomers. However, the justification for the dual system is somehow to be found in the difference between the government-sponsored and independently-sponsored institutions. It is here that the careful structuring of what it means to be a part of the total system and yet different and independent of certain types of government operation is absolutely essential in planning for a more viable and effective total system.

The Liaison Committee finds that the independent colleges and universities of Texas are, or should be, willing to accept their responsibilities as a part of the Texas system of higher education and to participate in a properly structured process of cooperative planning for higher education. This commitment suggests the importance of a skillful planning task which can make a great difference in the future of Texas higher education in terms of meeting total needs and utilizing total resources.

Basic to any framework for planning are two terms, often misunderstood, embodying principles which must be paramount in structural craftsmanship. They are autonomy (or independence) of institutional operation and the freedom of the academic enterprise. Last year at a Southern Regional Education Board Legislative Work Conference, in a presentation on "The State Planning and Coordinating Agency for

Higher Education," this concern was expressed as follows:

> It is undoubtedly irritating for politicians and the public to be told over and over that higher education is a qualitatively different kind of operation from other state activities, but it just happens to be so. With roots that go back for hundreds of years, with a delicate inner operating rationale that differs markedly from that of government or industry, the university is literally a "golden goose" which can easily be killed by improper treatment. The state has every right to assure itself that the institutions within its jurisdiction are operating in the broad public interest, but it must be very careful, in interpreting that interest, to recognize the special needs of universities and colleges for freedom. It has been said that no one who does not love a university should be allowed to tamper with it. Let us hope that the coordinating and planning agencies, which have such vital roles to play, will always be noted both for their respect for the public interest and for their love of the institutions of higher education.

The entire educational establishment and individual institutions need a kind of independence and freedom to pursue different approaches. programs, and ideas to achieve educational quality, to seek new knowledge and truth, and to assure the free play of ideas in the dialogue of the academic community. This is essential in a society of free men.

The Liaison Committee believes that the Coordinating Board should be deeply aware of these principles as it plans for the governance of the public colleges and universities. They must be allowed as much institutional responsibility and autonomy as possible within the overall. broad master planning process. We would claim for all colleges and universities the right to be quality, self-disciplined academic communities in a climate of understanding and freedom. On the other hand, the institutions must demonstrate the integrity and responsibility such freedom demands. Allowing such freedom places responsibilities and obligations not only upon the Coordinating Board and its staff but upon each college and university. If such a climate of confidence can be established in the total higher education enterprise—in both government and independent institutions, it can indeed serve all Texas in meeting future needs. We commend the Board and its staff for the leadership they have provided in this area by the adoption of policies concerning "Academic Freedom, Tenure. and Responsibility."

As the Liaison Committee has studied both the Texas situation and structure and those of other states. along with some of the special problems involving the independent colleges and universities in the master planning process. we see the need for additional understanding and relationships. We recommend three specific structural additions.

First, there is need for a focal point for coordinated planning and program and policy development at the executive. staff, and institutional level such as would be provided by the Coordinating Council we propose below. Before we set forth the basic idea. let us look at the present situation.

There are at least three councils or advisory committees representing segments of the total Texas higher education enterprise. Composed of college presidents. they consult with and advise the staff of the Coordinating Board in unilateral relationships. There is never an opportunity for working through the broader issues together. Admittedly. many of the issues are the kind that affect only one segment of the system; but more and more. a policy or program concerning the junior colleges. for instance. may have a backlash effect on the independent senior colleges when no one realized or intended that there would be such consequences. Another illustration is provided by the effect of salary increases in the government colleges upon the independent colleges in terms of their competition for faculty members. In planning. it is most important for everyone concerned to be able to work on the data and help develop a coordinated attack on the problem under consideration.

The Coordinating Council we propose could be constituted of representatives appointed by each of the segments of the system. It would take some time for members of the council to feel comfortable deliberating together and to find proper working relationships. but this is precisely the point—there should be a table where all segments can participate. work through the problems together. and plan from a statewide view.

The Liaison Committee is not trying to be too prescriptive in defining the role. procedures, or details of membership of the Coordinating Council. but we are quite sure about the need for an appropriate focal point for planning and exchange of information and for a table around which all the concerned parties can gather and go to work for the best interests of higher education in Texas. The Liaison Committee stands ready to assist in the proper design of these working relationships.

Second. the Committee finds a complete void in any real leadership. data collection. or planning for the independent colleges and universities themselves. We recommend that the Independent Colleges and Universities of Texas, Incorporated (ICUT. Inc.) be the legal and official agency through which the Coordinating Board operates in working with the independent sector of higher education.

We believe that ICUT, Inc., is the best vehicle available for this purpose because it is already in existence and already involved as the fiscal agent for this study. Also, its membership includes all the independent accredited junior and senior colleges in the state as well as some of the unaccredited colleges, which hold affiliate memberships for communications purposes.

ICUT, Inc., has voted unanimously, in a called meeting, to serve as official representative and spokesman for accredited independent higher education in Texas if requested to do so. Its stated purpose makes it ideally suited to serve in this capacity:

> It shall be the purpose of this organization to promote and advance the interests of the Texas system of higher education, including both public-supported and independent colleges and universities, with special concern for the dual nature of the system, its quality, freedom and responsibility to serve the educational and cultural needs of the state, nation and world.
>
> It shall further be the purpose of this organization to speak for the member independent colleges and universities as they serve and promote the purposes of the total Texas higher education system and accept responsibility for their share of the educational function.
>
> It shall further be the purpose of this organization to assist in cooperative endeavors with state supported institutions and agencies in performing the educational tasks and meeting the educational needs of Texas.
>
> It shall further be the purpose of this organization to represent the interests and to protect and promote the general welfare of the non-profit, tax-exempt independent colleges and universities located in the State of Texas.

Special understanding and procedures may be required concerning the representative or representatives of ICUT, Inc., serving on the Coordinating Council. Adequate staff services, reporting, and data collection will be required. Contracts for special projects, research, and reporting are possibilities. The Executive Board and the full membership of ICUT, Inc., have agreed to this general approach. The Liaison Committee also stands ready to work with the Board on any necessary next steps and operating details. It is our further recommendation that when ICUT, Inc., has been fully accepted in this role and is performing the functions described here, the Liaison Committee on Texas Private Colleges and Universities be abolished and that ICUT, Inc., serve the purposes for which the Committee was appointed.

We believe it is essential that the independent colleges and universities have a new, vigorous, aggressive leadership, first within their own ranks in facing their present and future problems together and, second, with the public in general and with the government sector and agencies to promote a favorable climate in which the private institutions can fulfill their responsibilities and opportunities in higher education —and, indeed, survive. In all fairness, and because of the administrative considerations involved, we are cognizant of the necessity for initiative, planning, and contracting craftsmanship to be developed by the private sector.

Third, the Liaison Committee finds that the greatest problems and the greatest potential for creative and effective cooperation and contracts for utilization of independent and government resources are at the local level in the metropolitan areas, and we recommend that federations of independent colleges and universities and like groupings of government colleges and universities be organized to cooperate and contract for programs and services through a compact type of working arrangement, sharing responsibility in meeting the higher education needs of various metropolitan areas more fully and efficiently.

As this study has progressed, it has become increasingly clear that different areas of Texas have very different higher education problems and resources. No one grand program or design is likely to be very effective or acceptable to all the local and institutional self-interests which would be affected. Indeed, the process of marshaling the local higher education institutions into really effective federations and compacts will be exceedingly difficult because of long traditions of institutional and faculty sovereignty. Yet the face-to-face relationships which would be involved in working together at the local level could be one of the most unusual and productive of all the suggestions in this report.

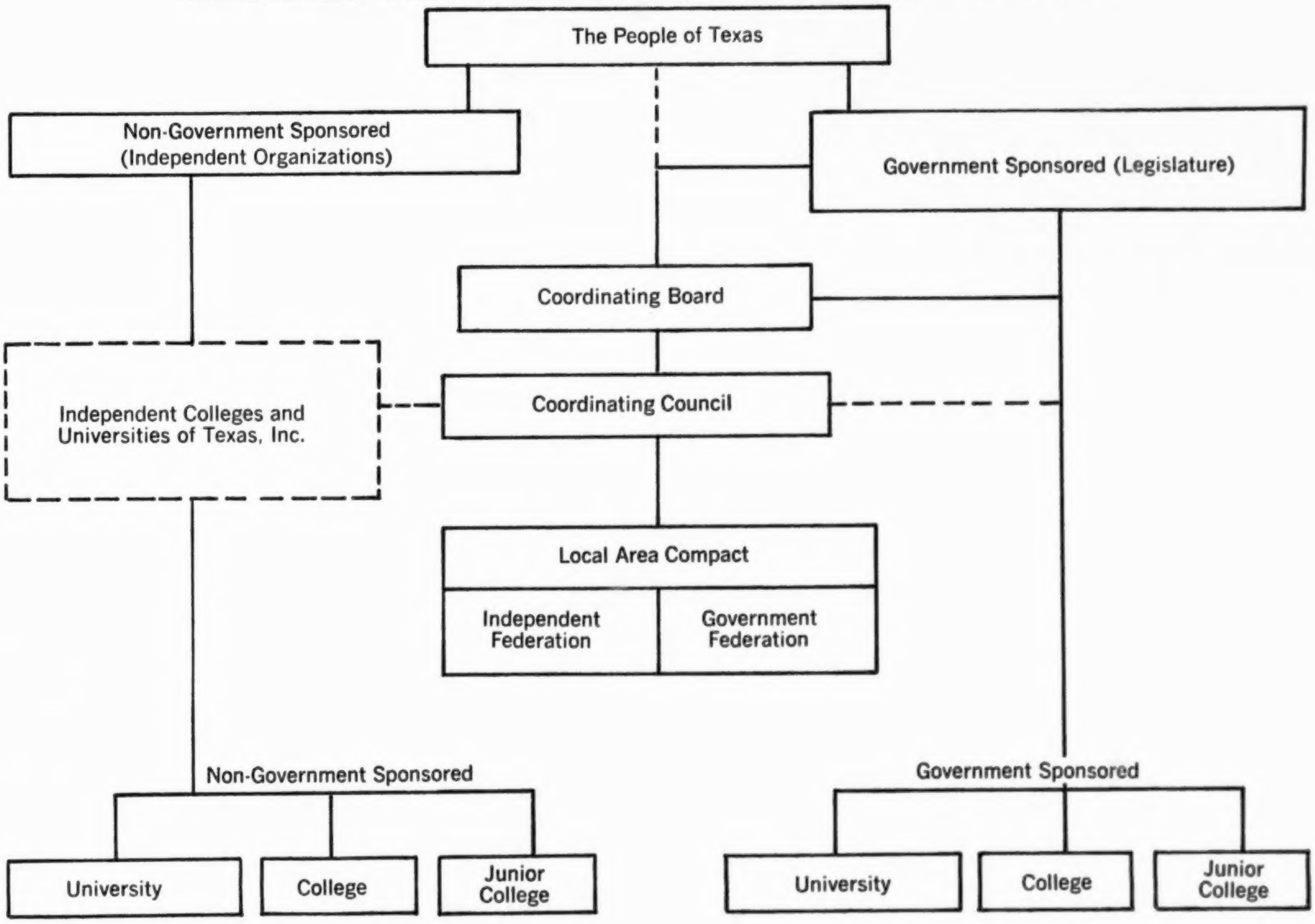
There is much talk in higher education about cooperation and consortia but very little more than some superficial activity. The time has come to really analyze the data and realize that in Texas, at least, all the independent institutions are more local (in terms of enrollment from the county of location) than had been thought. The time has come to recognize that higher education is a very large task which will require all the resources available—and that the state cannot afford to misuse them.

It is obvious that special regional problems and possibilities must be approached differently in the different regions, but overall state leadership will be required to help make effective the kind of local cooperation and planning that will be necessary. It may be desirable for the Coordinating Board to require that certain plans be reviewed locally and to have a federation or compact organization perform for higher education something similar to what local councils of governments are doing in local areas in the coordination of project planning by the many governmental jurisdictions involved.

In summary, the Liaison Committee begins with its conviction that master planning is a continuous process which must involve both the independent and government sectors of higher education. It understands the Coordinating Board's role to be one of serving all the people of the state in providing understanding, vision, and planning leadership for meeting the total higher education needs of Texas. It believes there is a need for some restructuring of the organization of higher education in Texas and a need for the independent sector to accept, organize, and staff its leadership role in this revised organizational pattern and in the master planning process. It must be involved and yet maintain its independence if it is to serve its function in the Texas system.

Chart IV reflects the structural relationships described, including the recommended Coordinating Council, the official use of the Independent Colleges and Universities of Texas, Inc., as official representative of and spokesman for the independent colleges and universities, and the local federations and compacts.

CHART IV
RECOMMENDED ORGANIZATIONAL STRUCTURE FOR TEXAS HIGHER EDUCATION


The People of Texas
Non-Government Sponsored (Independent Organizations)
Government Sponsored (Legislature)
Coordinating Board
Independent Colleges and Universities of Texas, Inc.
Coordinating Council
Local Area Compact
Independent Federation
Government Federation
Non-Government Sponsored
Government Sponsored
University
College
Junior College
University
College
Junior College

CHAPTER IV

INDEPENDENT SECTOR TRENDS AND PROBLEMS

If the assumption is made that the independent colleges and universities are to continue as a vital and important part of the dual system in Texas, it is imperative that all those who deal with higher education in this state have an understanding of the trends, problems, and conditions of private higher education—those which exist now and those which are projected for the future.

Nor is it enough to look only at the situation within the state. In trying to relate Texas higher education enrollments to manpower, research, and public service requirements and make plans to meet future needs, there must be awareness of a broader national view and concern. One of the best statements of this view was made by Alan Pifer, president of the Carnegie Foundation, in a recent speech to the Association of American Colleges:

> Looking into the future, . . . the pressures on the United States for at least the balance of this century are going to be so great, and our colleges and universities so absolutely central to society's well-being, in ways that dwarf anything we have yet seen, that we can no longer afford the luxury of an unplanned, wasteful, chaotic approach to higher education. . . .

Indeed, the pressures have already become so great, in certain areas such as research and manpower needs and in requirements for expanded facilities, that the federal government has entered the picture with programs of categorical aid. The Association of American Universities has recently proposed that there be provided, in addition to the categorical aid programs, general, across-the-board federal support for all colleges, public and private, which meet nationally agreed-upon qualitative standards. Such assistance is necessary, AAU officials contend, to enable the institutions of higher education to accommodate increasing enrollments and meet rising costs without serious deterioration in quality of programs.

Federal programs in aid of higher education are already very important to private colleges and universities. Such programs have aided greatly in the construction of buildings and in the improvement of certain program areas, particularly the sciences. Federal programs have not been universally looked upon with favor or, in some cases, even utilized, but the role of higher education in implementing national policies and helping to attain national goals is accepted by a great many people and is a part of the total higher education picture which cannot be ignored.

In any kind of planning, therefore, federal programs and objectives must be taken into account. A further question needs to be raised about the effect of federal programs on the necessity and desirability of state programs—and vice versa.

The overall national view also indicates that there are public policy issues which are social in nature and that there are certain goals of society which may or may not be achieved through the way the country's educational system is operated.

It is against this background that we attempt to present in this chapter, for planning consideration purposes, some analyses of the following topics.

1) Current assets and capabilities of the private sector of higher education in Texas.
2) Enrollment trends and projections as they relate to the independent sector.
3) The effect of tuition rates on decisions about college and on future enrollments.
4) Financial problems and fiscal implications of present enrollment trends.
5) Faculty salaries and competition for faculty.
6) Some specific problems and approaches related to special graduate and professional education.
7) Some of the higher education needs of Texas viewed from a regional standpoint.
8) Special purpose and developing institutions.

Current Assets and Capacities of the Private Sector

If the private sector of higher education is accepted as a full partner and participant and is structured into the total state system, what resources and assets does it bring to the planning table to help meet Texas' needs for higher education?

For purposes of this study, the independent sector consists of 50 institutions which participated in the project and provided data and projections for it. A conservative summary profile of the private sector as it now exists is shown in Table 4.

TABLE 4
PROFILE—TEXAS INDEPENDENT SECTOR OF HIGHER EDUCATION—1967-68

STUDENTS	9,500	Graduate and Professional
	22,000	Juniors and Seniors
	38,000	Freshmen and Sophomores (with 10,295 of these in private junior colleges)
	69,500*	TOTAL
INSTITUTIONS	12,500	Unused Educational and Plant Capacity
	4	Major Universities
	3	Developing Universities
	6	Colleges with First-Level Graduate Programs
	15	Accredited Undergraduate Colleges
	4	Unaccredited Undergraduate Colleges
	1	Free-standing Education and Research Facility
	1	Unaccredited Free-standing Professional School
	8	Accredited Junior Colleges
	8	Unaccredited Junior Colleges
	50	TOTAL
LOCATION	32	of the independent institutions are located in the 47-county "triangle" expected to contain 61.51% of the state's college-age population in 1985
FACULTY	4,500	
BUDGET	$ 185 Million	
PLANT	$ 622 Million	
ENDOWMENT	$ 300 Million	
TOTAL ASSETS	IN EXCESS OF A BILLION DOLLARS	

*Enrollments in five unaccredited junior colleges which did not participate in the study brings this figure to well over 70,000.

The participating institutions. by classifications. are as follows:

Major Universities:
- Baylor University, Waco
- Rice University, Houston
- Southern Methodist University, Dallas
- Texas Christian University, Fort Worth

Developing Universities:
- St. Mary's University, San Antonio
- Trinity University, San Antonio
- University of Dallas, Irving

Colleges With First-Level Graduate Work:
- Abilene Christian College, Abilene
- Austin College, Sherman
- Hardin-Simmons University, Abilene
- Howard Payne College, Brownwood[5]
- Incarnate Word College, San Antonio
- Our Lady of the Lake College, San Antonio

Accredited[6] Undergraduate Colleges:
- Bishop College, Dallas
- East Texas Baptist College, Marshall
- Huston-Tillotson College, Austin
- Jarvis Christian College, Hawkins
- Mary Hardin-Baylor College, Belton
- McMurry College, Abilene
- Sacred Heart Dominican College, Houston
- St. Edward's University-Maryhill College, Austin
- Southwestern University, Georgetown
- Texas Lutheran College, Seguin
- Texas Wesleyan College, Fort Worth
- The University of St. Thomas, Houston
- University of Corpus Christi, Corpus Christi
- Wayland Baptist College, Plainview
- Wiley College, Marshall

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[5] Howard Payne College plans to phase out its graduate program over the next five years.

[6] Accreditation by the Southern Association of Colleges and Schools is the criterion used here.

Unaccredited Undergraduate Colleges:

Houston Baptist College, Houston
LeTourneau College, Longview
Paul Quinn College, Waco
Texas College, Tyler

Free-standing Education and Research Facility:

Southwest Center for Advanced Studies, Dallas

Provisionally Approved[7] Free-standing Professional School:

South Texas College of Law, Houston

Accredited Junior Colleges:

Allen Academy, Bryan
Concordia College, Austin
Dallas Baptist College, Dallas
Lon Morris College, Jacksonville
Lubbock Christian College, Lubbock
Schreiner Institute, Kerrville
South Texas Junior College, Houston
Southwestern Union College, Keene

Unaccredited Junior Colleges:[8]

Annunciation College, Victoria
Christian College of the Southwest, Dallas
Christopher College of Corpus Christi, Corpus Christi[9]
Fort Worth Christian College, Fort Worth
Mary Allen Junior College, Crockett
Southern Bible College, Houston
Southwestern Assemblies of God College, Waxahachie
Southwestern Christian College, Terrell

Generally speaking, the private colleges and universities are well located in relation to the concentration of college-age population in the state, both at present and as projected for the future. To show the expected distribution, the Coordinating Board has prepared a map delineating a rough triangular area including 47 counties which are expected to contain 61.51 percent of the state's college-age population in 1985. Thirty-two of the 50 independent institutions of higher education are located within the triangle, as shown by Map A. Twenty of the 28 accredited private senior colleges are within this population area. Twenty-four of the independent institutions are located in the eight counties which, collectively, are expected to contain 50 percent of the state's population by 1985,[10] and 15 of these are accredited senior colleges and universities.

For the 1967–68 scholastic year, the 50 institutions participating in the study had a total headcount enrollment of 69,567. Of that number, 60,213 were undergraduates and 9,354 were enrolled at the graduate and professional level.

The seven universities in the first two classifications account for 48 percent of the total enrollment in the private sector and 79 percent of the graduate and professional enrollment. When the accredited senior colleges—both the undergraduate institutions and those offering first-level graduate work—are added to the list, the 28 institutions account for 80 percent of the total enrollment and 93 percent[11] of the graduate and professional enrollment in the private sector this year.

The full-time student equivalent enrollment in all independent sector institutions in 1967–68 was 58,490, with 52,022 full-time equivalents at the un-

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[7] Being on the approved list of the American Bar Association is tantamount to accreditation for law schools.

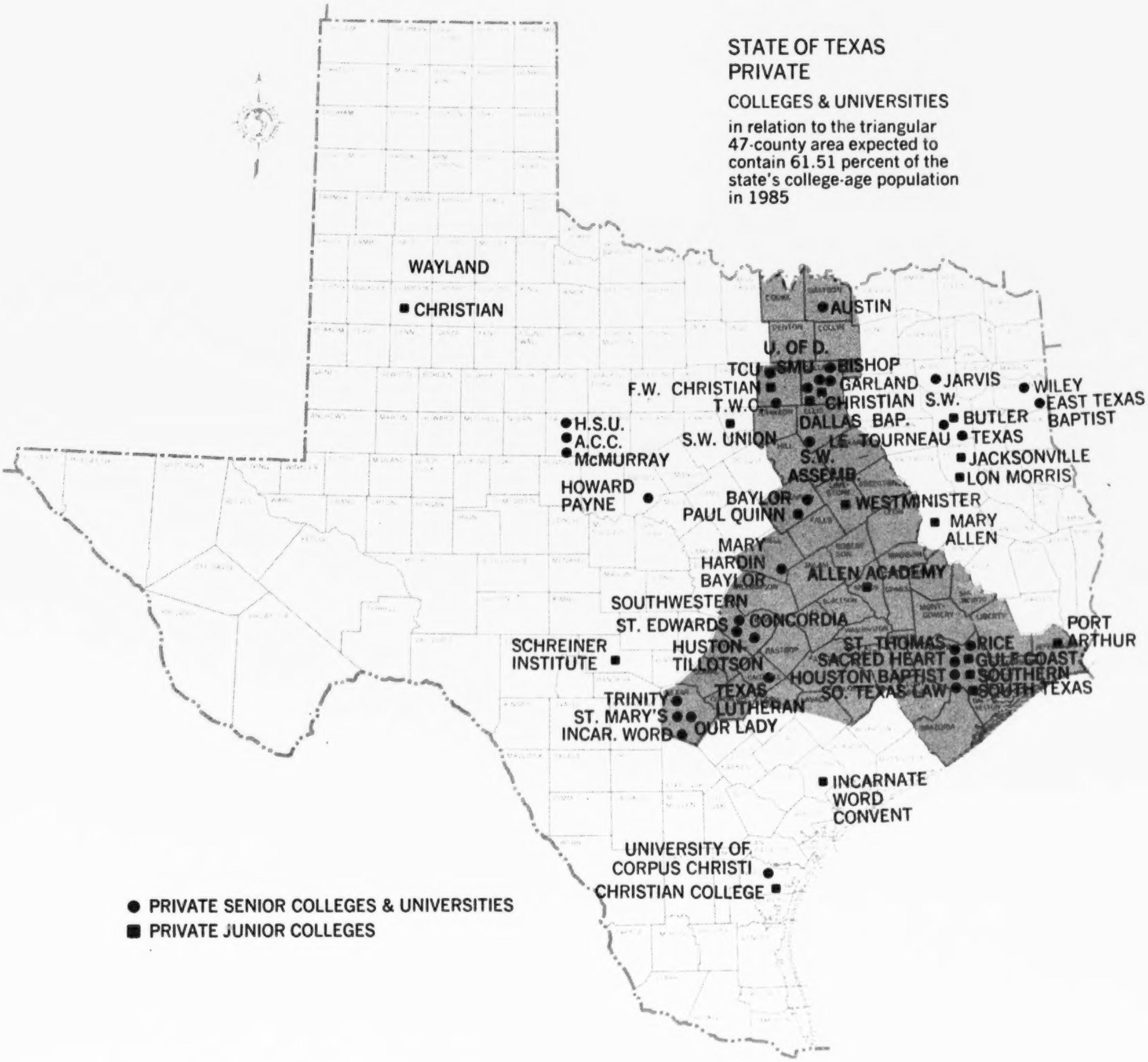
[8] Several other unaccredited junior colleges known to be in operation did not participate in the study. Among them are Butler College, Tyler; Jacksonville College, Jacksonville; Northwood Institute, Dallas; Westminster College, Tehuacana; and Gulf Coast Bible College, Houston. The University of Plano, also an unaccredited private institution, did not take part in this project.

[9] The administration of Christopher College has announced that it will close August 31, 1968.

[10] The counties are Dallas, Tarrant, Harris, Bexar, El Paso, Nueces, Jefferson, and Travis.

[11] The other 7 percent of graduate and professional students are enrolled in South Texas College of Law, a free-standing professional school.

MAP A



STATE OF TEXAS
PRIVATE

COLLEGES & UNIVERSITIES

in relation to the triangular 47-county area expected to contain 61.51 percent of the state's college-age population in 1985

● PRIVATE SENIOR COLLEGES & UNIVERSITIES
■ PRIVATE JUNIOR COLLEGES

WAYLAND
CHRISTIAN
AUSTIN
U. OF D.
TCU
SMU
BISHOP
GARLAND
JARVIS
WILEY
F.W. CHRISTIAN
T.W.C.
CHRISTIAN
S.W.
EAST TEXAS
BAPTIST
H.S.U.
A.C.C.
McMURRAY
S.W. UNION
DALLAS BAP.
LE TOURNEAU
BUTLER
TEXAS
JACKSONVILLE
LON MORRIS
S.W.
ASSEMB.
HOWARD
PAYNE
BAYLOR
PAUL QUINN
WESTMINISTER
MARY
ALLEN
MARY
HARDIN
BAYLOR
ALLEN ACADEMY
SOUTHWESTERN
ST. EDWARDS
CONCORDIA
PORT
ARTHUR
SCHREINER
INSTITUTE
HUSTON
TILLOTSON
ST. THOMAS
SACRED HEART
HOUSTON BAPTIST
SO. TEXAS LAW
RICE
GULF COAST
SOUTHERN
SOUTH TEXAS
TRINITY
ST. MARY'S
INCAR. WORD
TEXAS
LUTHERAN
OUR LADY
INCARNATE
WORD
CONVENT
UNIVERSITY OF
CORPUS CHRISTI
CHRISTIAN COLLEGE

dergraduate level and 6,468 in the graduate and professional classification.

A breakdown of private sector headcount enrollment by classification of institutions and by level for the last five years is shown in Table 5. Comparable information on a full-time student equivalent basis is shown by Table 6.

The independent institutions were asked to provide for use in this study not only current headcount and full-time equivalent enrollments but an estimate of

Table 5
HEADCOUNT ENROLLMENT, INDEPENDENT TEXAS COLLEGES AND UNIVERSITIES, BY LEVEL, FIVE-YEAR PERIOD, 1963–64—1967–68

Classification of Institution and Level	1963–64	1964–65	1965–66	1966–67	1967–68
*Accredited Universities and Senior Colleges:**					
First Year	14,694	15,019	16,758	16,241	15,256
Second Year	9,447	9,735	10,373	11,802	11,433
Third Year	8,098	8,282	8,726	9,532	10,480
Fourth Year	7,423	7,921	8,321	8,698	9,008
Fifth Year	237	205	380	293	287
Special	2,096	2,375	2,286	2,022	1,535
Total Undergraduate	41,995	43,537	46,844	48,588	47,999
First-level Graduate	3,619	3,927	4,394	4,768	5,261
Advanced Graduate	698	793	862	1,105	1,140
Post-Doctoral	111	186	218	255	233
Special Professional	1,511	1,548	1,615	1,682	2,152
Total Graduate & Professional	5,939	6,454	7,089	7,810	8,786
Totals, Accredited Universities and Senior Colleges	47,934	49,991	53,933	56,398	56,785
Unaccredited Senior Colleges:					
First Year	603	929	953	1,071	974
Second Year	263	412	498	630	648
Third Year	236	253	389	441	470
Fourth Year	216	243	238	401	448
Special	3	3	5	8	3
Total Undergraduate	1,321	1,840	1,983	2,551	2,543
Special Professional**	364	422	542	638	568
Totals, Unaccredited Senior Colleges	1,685	2,262	2,525	3,189	3,111
Accredited Junior Colleges:					
First Year	2,274	3,135	4,845	4,727	5,432
Second Year	1,210	1,621	1,784	2,010	2,431
Special					43
Total, Accredited Junior Colleges	3,484	4,756	6,629	6,737	7,906
Unaccredited Junior Colleges:					
First Year	612	705	973	1,085	1,058
Second Year	252	300	352	409	508
Special and Other***	102	119	125	138	199
Total, Unaccredited Junior Colleges	966	1,124	1,450	1,632	1,765
GRAND TOTALS	54,069	58,133	64,537	67,956	69,567

*Includes major and developing universities, colleges with first-level graduate work, and undergraduate colleges.
**Enrollment in South Texas College of Law, provisionally approved by American Bar Association.
***Includes upper division Bible students.

the number of additional full-time student equivalents they could have accommodated in 1967–68, assuming maximum utilization of physical plant and other educational facilities. The replies were tabulated and converted to headcount figures by using the current ratio between full-time equivalent and headcount enrollments to produce a total of about 12,500 unused spaces in private sector institutions in 1967–68.

It should be emphasized that in order for the private colleges and universities to have accommodated

Table 6
FULL-TIME STUDENT EQUIVALENT ENROLLMENT, INDEPENDENT TEXAS COLLEGES AND UNIVERSITIES, BY LEVEL, FIVE-YEAR PERIOD, 1963–64—1967–68

Classification of Institution and Level	1963–64	1964–65	1965–66	1966–67	1967–68
*Accredited Universities and Senior Colleges:**					
First Year	12,878	13,182	15,041	14,745	14,032
Second Year	8,465	8,753	9,220	11,852	10,497
Third Year	7,179	7,492	7,911	8,622	9,517
Fourth Year	6,419	6,842	7,300	7,755	7,877
Fifth Year	119	103	160	135	133
Special	358	377	343	307	238
Total Undergraduate	35,418	36,749	39,975	43,416	42,294
First-Level Graduate	1,595	1,781	2,035	2,280	2,486
Advanced Graduate	649	766	785	889	1,001
Post-Doctoral	41	64	88	112	129
Special Professional	1,963	2,096	2,212	2,379	2,633
Total Graduate & Professional	4,248	4,707	5,120	5,600	6,249
Totals, Accredited Universities and Senior Colleges	39,666	41,456	45,095	49,016	48,543
Unaccredited Senior Colleges:					
First Year	520	816	813	953	940
Second Year	226	311	470	578	566
Third Year	240	243	388	426	451
Fourth Year	220	228	225	389	433
Special	1	1	4	4	2
Total Undergraduate	1,207	1,599	1,900	2,350	2,392
Special Professional**	55	98	125	217	219
Totals, Unaccredited Senior Colleges	1,262	1,697	2,025	2,567	2,611
Accredited Junior Colleges:					
First Year	1,499	2,352	3,598	3,395	3,990
Second Year	840	963	1,321	1,813	1,871
Special				3	47
Total, Accredited Junior Colleges	2,339	3,315	4,919	5,211	5,908
Unaccredited Junior Colleges:					
First Year	442	448	718	829	865
Second Year	286	283	363	467	546
Special and Other***	35	11	3	17	17
Total, Unaccredited Junior Colleges	763	742	1,084	1,313	1,428
GRAND TOTALS	44,040	47,210	53,123	58,107	58,490

*Includes major and developing universities, colleges with first-level graduate work, and undergraduate colleges.

**Enrollment in South Texas College of Law, provisionally approved by American Bar Association.

***Includes upper division Bible students.

these additional students, it would have been necessary to place them selectively. For instance, many of the institutions specified that additional places were available only in certain programs or courses, or that the students would have to be commuters because all available campus housing was filled. Nevertheless, it is inescapable that this additional capacity in the private institutions constitutes a significant and immediately available resource for helping to meet the state's growing higher education needs.

Enrollment Trends and Projections

An analysis of the various factors in the private college profile gives several indications that the private sector is beginning to have difficulty in two major endeavors—securing enough students to sustain its present proportion of the total Texas enrollment in higher education and finding enough financial resources to meet its current expenses and provide for its projected expansion. Although these two problems are closely related, as will be discussed later, only the student problem will be analyzed here.

Despite the fact that the independent institutions are well located in relation to population concentrations and metropolitan areas of the state, the proportion of all Texas college students attending the private colleges and universities has declined rather dramatically. Enrollment in these institutions as a percentage of total higher education enrollment in Texas declined from 32.08 percent in 1960 to 20.20 percent in 1967, as the statistics prepared by the Coordinating Board show in Table 7.

It should be pointed out that the rather sharp percentage decrease in private sector enrollment from 1962 to 1964 can be attributed primarily to the fact that the University of Houston, previously in the private sector, became a fully state-supported four-year institution in September, 1963. Nevertheless, the private sector share of total enrollments has dropped from one-third to one-fifth since 1960. To avoid the distortion of statistics which would occur if the University of Houston situation were taken into account,

Table 7
HISTORICAL ENROLLMENT PATTERNS, PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION, 1960–1967

Category	1960	1962	1964	1966	1967
Public (All)	67.92	69.44	75.95	78.59	79.80
Private (All)	32.08	30.56	24.05	21.41	20.20

the decline in ratio of enrollment in the private sector was figured on the base period from 1964 to 1967, which produced an average decline of 1.28 percent a year. If this rate of decline were to continue through 1975, the results would be those shown in Chart V.

Even though private sector enrollment as a percentage of total enrollment in Texas higher education has declined during this time, total numerical enrollment in the private sector increased about 30 percent over the five-year period of the study. The rate of increase has dropped rather dramatically in the last two years, however, as shown by these year-to-year growth rates:

1963–64 – 1964–65	7 percent
1964–65 – 1965–66	12 percent
1965–66 – 1966–67	5 percent
1966–67 – 1967–68	3 percent

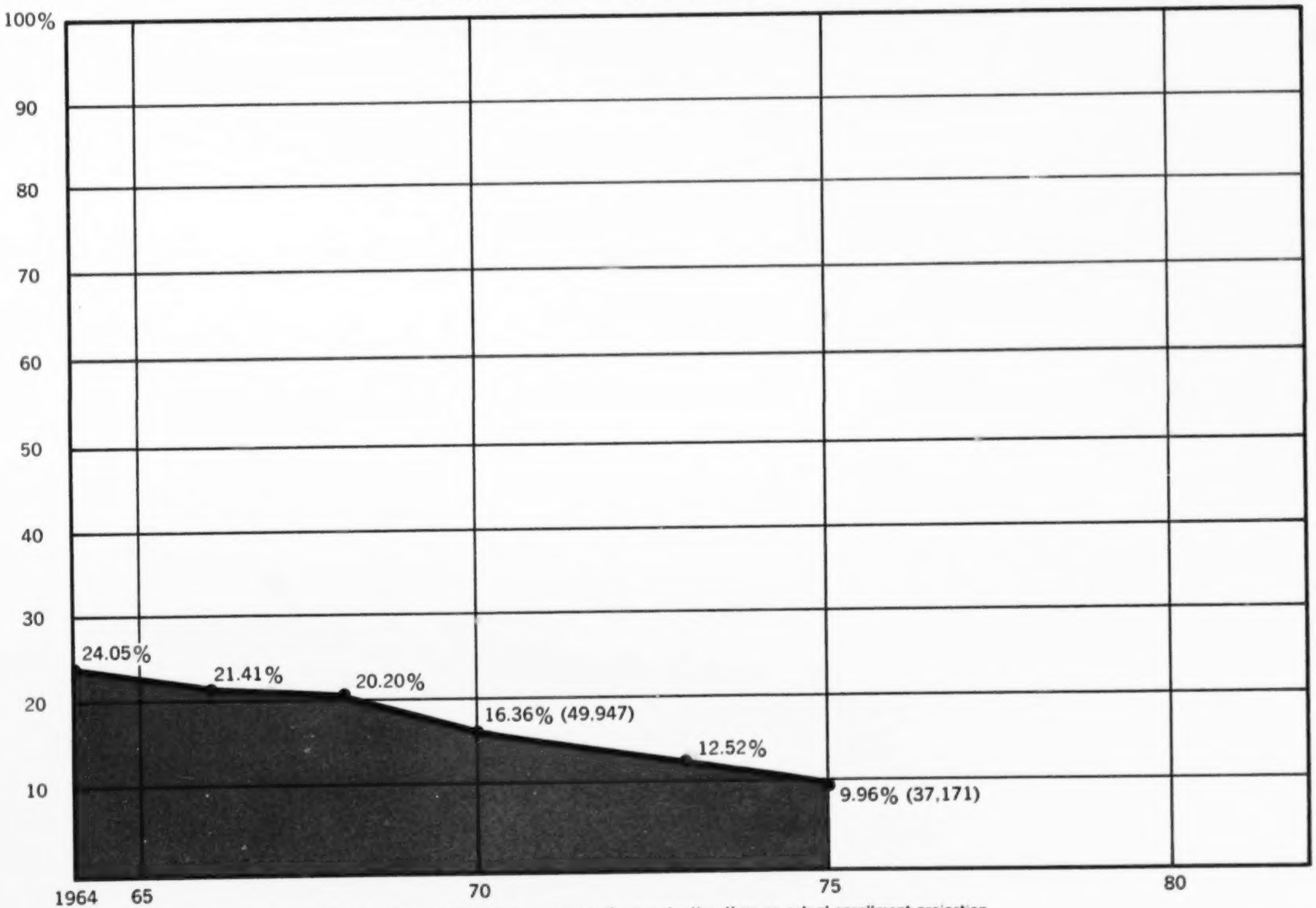
Perhaps of even greater long-range significance than the decrease in percentage of total enrollment is the numerical decline in private sector first-year, or freshman, enrollment over the last two years. For the accredited independent senior colleges and universities, first-year enrollments have been the following:

1965–66	16,758
1966–67	16,241
1967–68	15,256

Thus the number of first-year students in the accredited independent senior colleges and universities has declined 9 percent since 1965–66—an average of 4.5 percent a year. If this trend continues, the results will be those shown by Chart VI. First-year students in the accredited independent senior institutions would number slightly more than 13,000 by 1970, 10,555 in 1975, about 8,300 in 1980, and 6,660 by 1985.

For 1967–68, the first-year enrollment in the independent sector of Texas higher education amounted to only 18.80 percent of total first-year enrollments in all higher education in the state. If this percentage were to remain constant for the next three years, en-

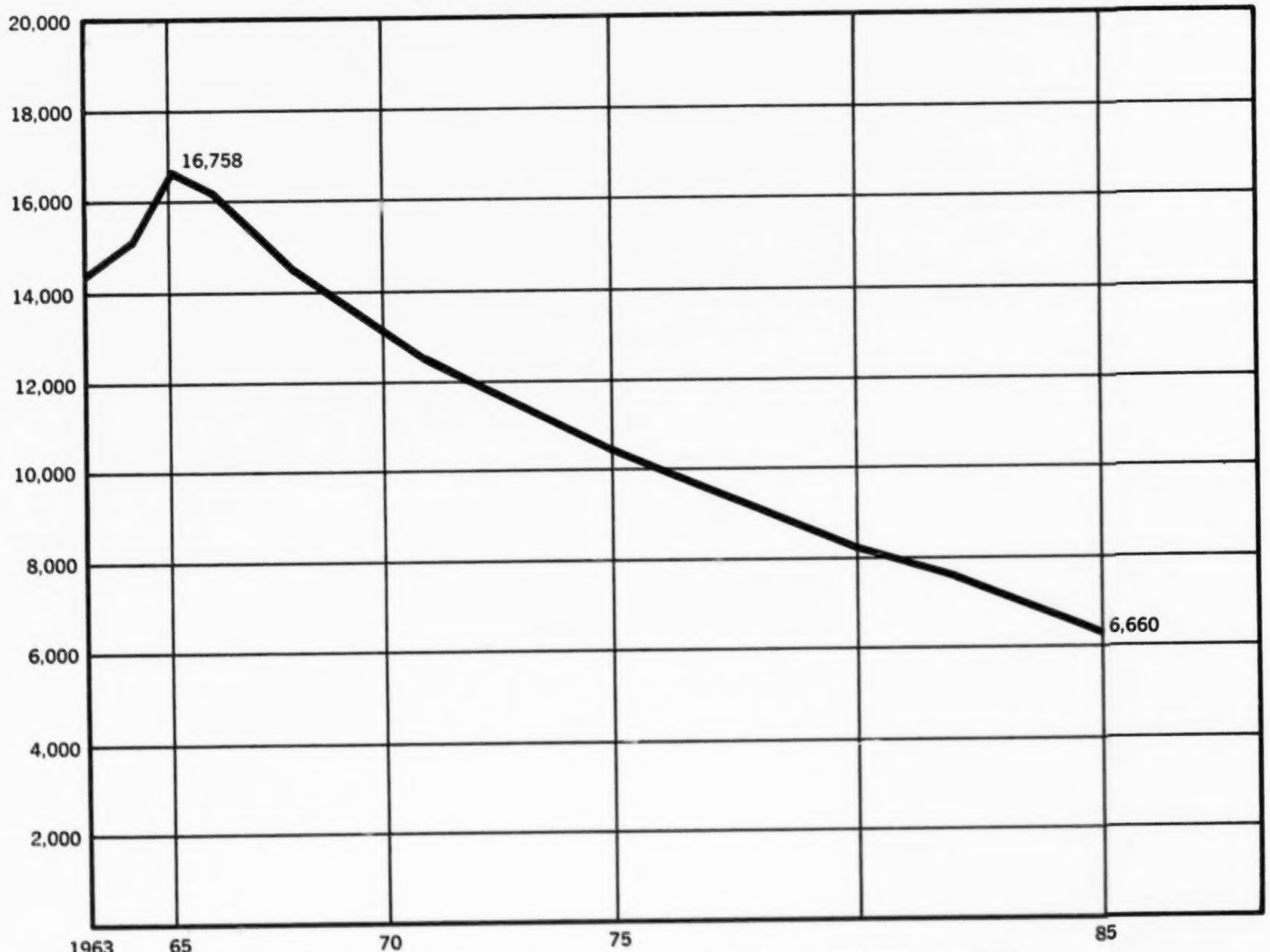
CHART V
INDEPENDENT SENIOR COLLEGE AND UNIVERSITY ENROLLMENT
AS A PERCENT OF THE TOTAL STUDENT ENROLLMENT*



*CAUTION: It should be noted that the line beyond 1967 is a projection of a trend rather than an actual enrollment projection.

CHART VI

FIRST-YEAR ENROLLMENTS AND PROJECTED ENROLLMENT TREND IN TEXAS ACCREDITED INDEPENDENT COLLEGES AND UNIVERSITIES*



*CAUTION: It should be noted that the line beyond 1967 is a projection of a trend rather than an actual enrollment projection.

rollment in the private sector would be well below the present figure and very significantly below the capacity of the independent institutions. Assuming the continuation of this rate of decline, only 15.10 percent of total enrollment in Texas senior colleges and universities would be in the independent sector in 1970, and the percentage would shrink to 6.60 percent by 1975. The clear implication of first-year enrollment trends is that the 20 percent holding point for private sector colleges and universities may not be valid if current conditions continue.

A number of factors undoubtedly contribute to the decrease in first-year enrollments in private sector institutions. One of these is unquestionably the opening of more and more community junior colleges. The Dallas-Fort Worth area provides an excellent opportunity to study the effect of new community colleges upon enrollments in area public and private institutions. In September. 1966, the first unit of the Dallas County Junior College—El Centro—opened with an enrollment of 4,028. This is a downtown branch. That fall the following changes occurred in the first-year enrollments of the various existing institutions in the area:

Southern Methodist University—3 percent increase
  Dallas College (SMU's downtown branch) enrollment dropped. however—19 percent decrease during the last two years
Bishop College—17 percent decrease
The University of Texas at Arlington—10 percent decrease
North Texas State University—4 percent decrease

Texas Woman's University—held steady
Dallas Baptist College (junior college)—22 percent decrease
Christian College of the Southwest (junior college) —11 percent increase

Although the picture is not decisively clear for the year under consideration. there are enough indications to demonstrate that the opening of El Centro College did seriously affect the pattern of enrollments in the various Dallas-Fort Worth area institutions of higher learning.

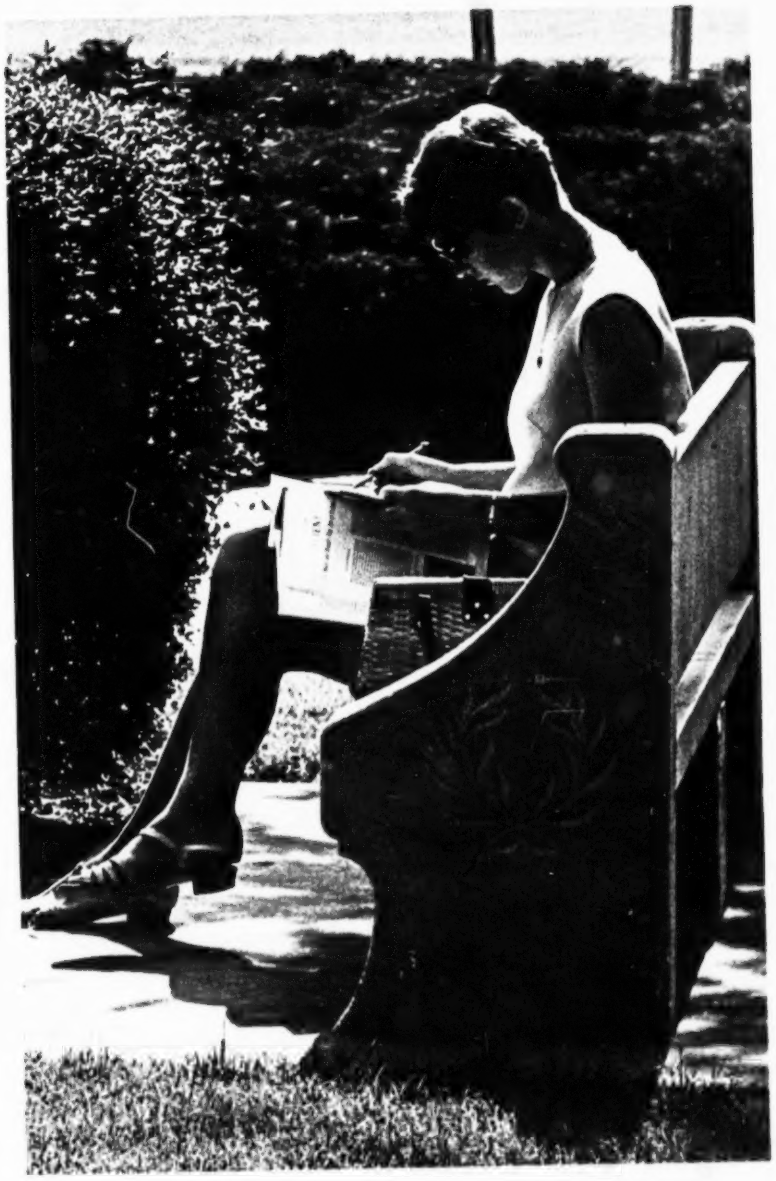
The first campus of the Tarrant County Junior College opened in a suburban location in September, 1967. Its initial enrollment of 4.211 was considerably higher than had been projected, and the availability of such low-priced education had a much more drastic effect on freshman enrollments at independent institutions of higher education in Fort Worth than had been the case in the Dallas situation. The following are the changes which occurred in the first-year enrollments of the various area schools:

Texas Christian University—29 percent decrease
Texas Wesleyan College—43 percent decrease
Fort Worth Christian College (junior college)—27 percent decrease
The University of Texas at Arlington—13 percent decrease
North Texas State University—10 percent decrease

It cannot be assumed, of course. that all the freshman enrollment decreases cited are attributable to the opening of the new junior colleges. The following factors should also be taken into account:

1) There was a drop in the birth rate during the years which produced the freshman classes of 1966 and 1967, and lower birth rates are likely to continue to affect enrollments. The 1967 birth rate—17 per 1,000—was lower than the rates of the Depression years in the 1930's.
2) Tuition for first-time enrollees at Texas Christian University increased 33 percent from the 1966 figure in the fall of 1967—from $744 to $988 annually.
3) Tuition at Fort Worth Christian College also increased—from $664 to $760 annually, or 14 percent.

All things considered, the evidence is strong. particularly in the case of Tarrant County Junior College, that the institutions attracted. in addition to students who would not otherwise have enrolled in any institution of higher education, a number who probably would have enrolled in the private colleges and universities or the four-year public institutions in the area.



The independent sector accommodates a somewhat larger share of the graduate and professional enrollment than it does of total enrollment. For 1967–68. private colleges and universities had 26 percent of the total graduate and professional students enrolled in the state, as compared with 20.20 percent of all enrollment.

During the five-year period of the study. graduate and professional enrollments in the independent sector have increased steadily at an average rate of about 12 percent a year. If this trend were to continue. the independent sector would have a graduate and professional enrollment in excess of 70.000 by 1985. For a number of reasons, among them the disproportionately high costs of most graduate programs. enrollments at this level are not expected to continue growing at their present pace. "Prudent headcount" projections supplied by the institutions indicate that they expect enrollments at the graduate and professional level to grow quite slowly, with a total of 14,825 in this category in 1985—a 58 percent increase over the present figure. Graduate and professional enrollments, with projections on the basis of the current growth rate of 12 percent a year and on the basis of "prudent headcount" estimates supplied by the institutions themselves, are shown by Chart VII.

If the "prudent headcount" projections are related to the Coordinating Board's projections of total graduate and professional enrollment, the indication is that the private sector will accommodate a steadily declining percentage, although there will be a gradual numerical increase. On such a basis, the independent sector will have only 13 per cent of the total graduate and professional enrollment, or about one-half its present proportion, in 1985.

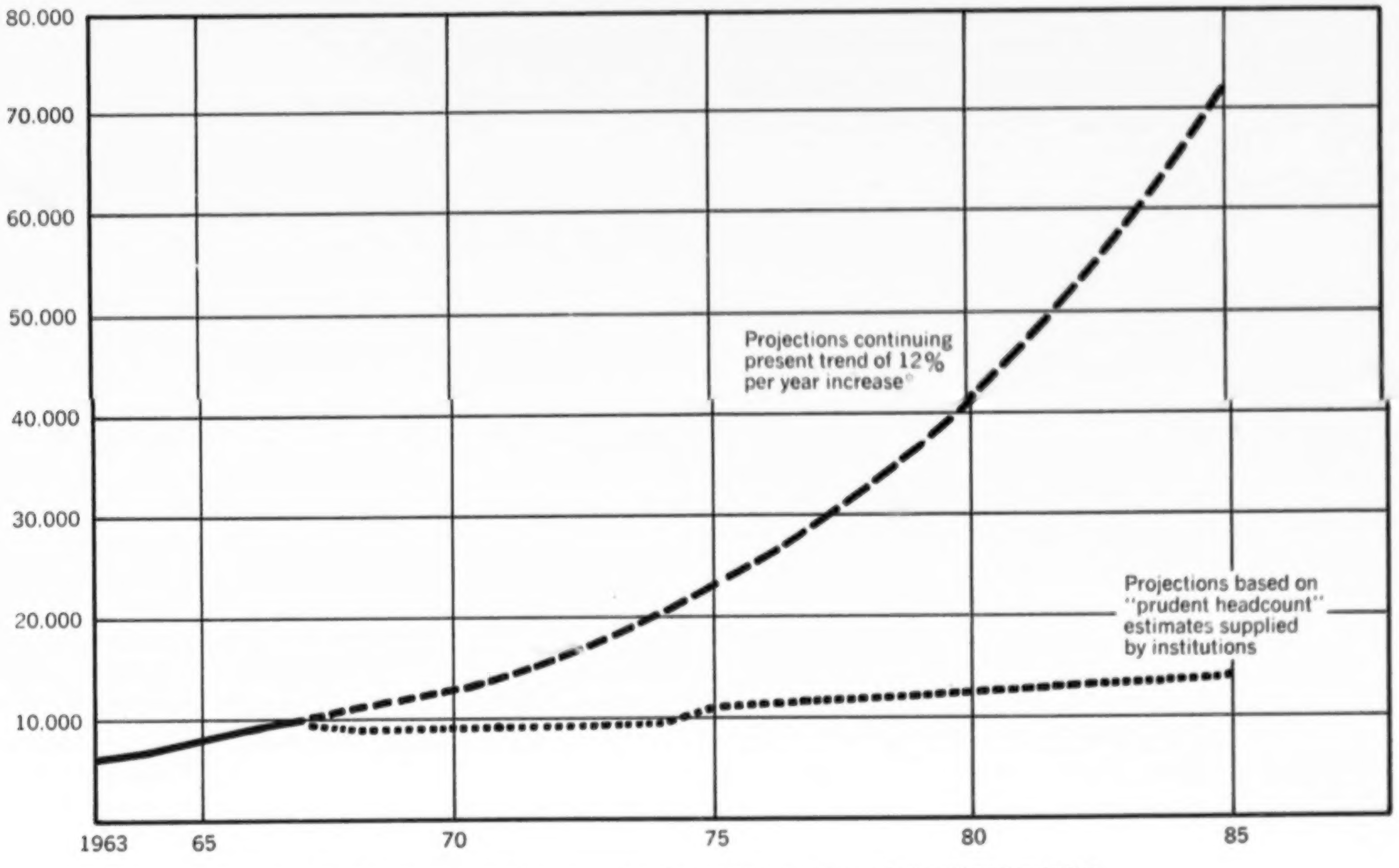
With this background, consideration will now be given to enrollment projections for the total Texas higher education system and the relationships between these and projections for the independent sector.

Enrollment projections cannot be regarded as "firm," but they are a necessary basis for effective planning. The Coordinating Board, Texas College and University System, in its enrollment projections for Texas post-high school education, has predicted a median increase of .9 percent annually in the college-going rate and applied it to projected college-age (18-24) population figures for each year. This produces an estimated total of 824,900 students enrolled in all Texas colleges and universities in 1985.

The assumption of a .9 percent annual increase in the college participation rate for persons in the college-age bracket leads to a rapidly increasing total enrollment, especially if the population is also expanding as is expected to be the case in Texas. Indeed, if the Texas experience follows that of other states where an increase in the 18-24 age group participation in high education is paralleled by an increase in participation by those over 24 years old, the projections may well be on the conservative side as far as the total number attending some type of higher edu-

CHART VII

GRADUATE AND PROFESSIONAL ENROLLMENTS AND ENROLLMENT PROJECTIONS IN TEXAS INDEPENDENT SENIOR COLLEGES AND UNIVERSITIES°



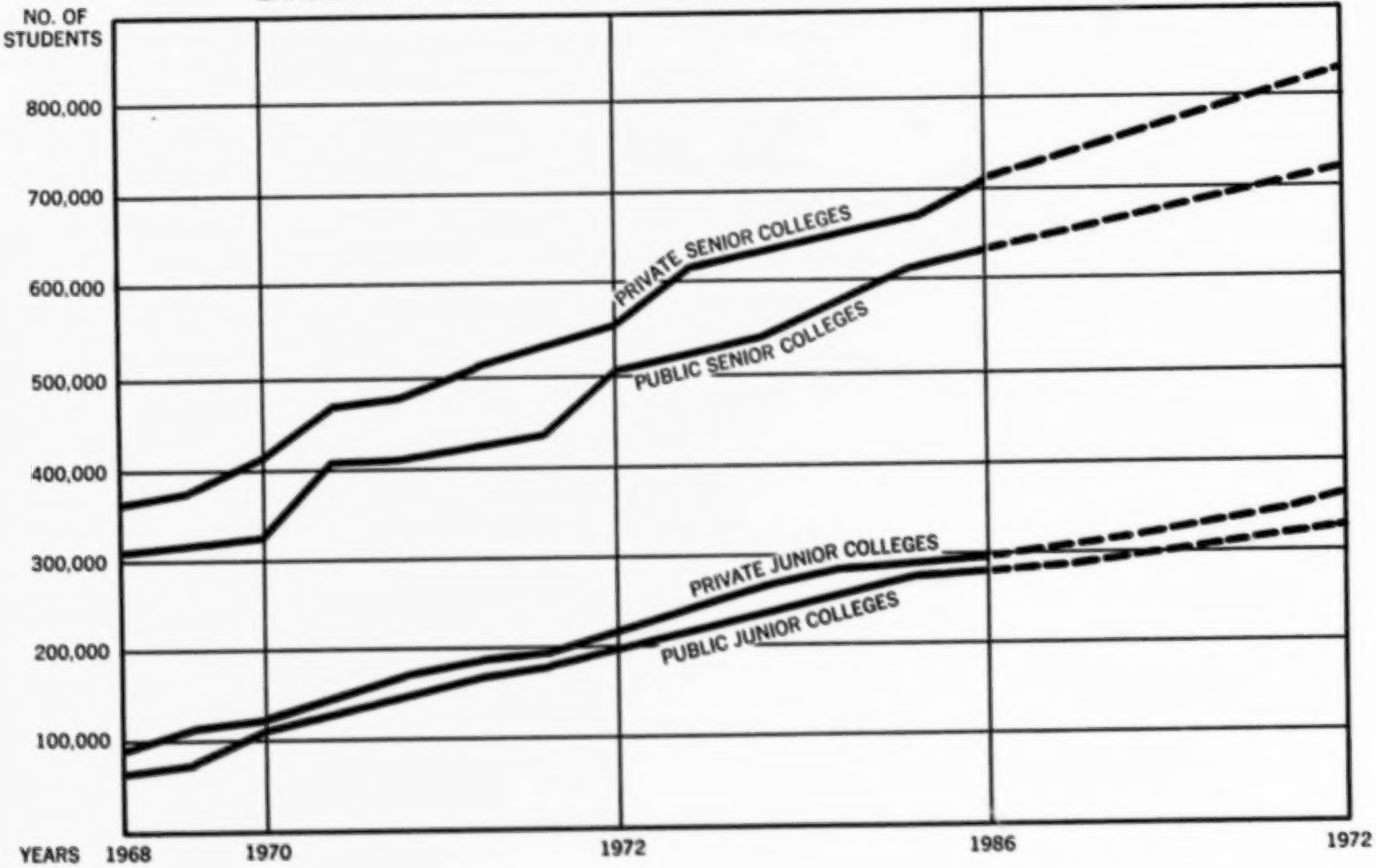
Projections continuing present trend of 12% per year increase°

Projections based on "prudent headcount" estimates supplied by institutions

°CAUTION: It should be noted that this line is simply the projection of a *trend* rather than an actual enrollment projection.

CHART VIII

ENROLLMENT PROJECTIONS, TEXAS PUBLIC AND PRIVATE INSTITUTIONS, 1968-1985



cation institution is concerned. The whole area of adult education—including continuing education and job retraining—seems to have been little taken into account in most higher education enrollment projections; yet it is generally accepted that such needs and demands will increase greatly during the next 10 or 15 years.

Some points of caution, however, should be noted in the use of the Coordinating Board's enrollment projections.

First, as Chart VIII shows, the large increase in numbers will not occur in the senior colleges and universities, especially in their undergraduate enrollments. There will be some growth in graduate and professional enrollments, but the large increases in numbers are, in a sense, deceiving in terms of their implications for the senior institutions. Competition for students and overbuilding of physical plants are possibilities in the near future if the individual independent institutions allow themselves to be misled by the large overall enrollment increases shown by the projections.

Second, the very large increase in junior college enrollment projections depends to a great extent on whether or not new junior colleges are built. There is strong evidence in recent experience that the establishment of new junior colleges increases immediately and substantially the going-to-college rate in the local area, as well as some change in patterns of choices of the institutions which students attend.

Third, it is not clear from the experiences of California and other states with extensive junior college systems—and from preliminary evidence in Texas—that large numbers of junior college graduates will go on to graduate from public senior colleges—and certainly not from private colleges and universities. On the other hand, expanding participation in the lower division inevitably brings with it some numerical increase in the upper division and graduate programs, even if attrition rates are high. Unit costs for upper division education, and especially that at the graduate level, are much greater than for junior colleges, and this factor, too, must be taken into account.

For these reasons it seems desirable to consider the bases of projections for the state not only from technical and demographic points of view but from the standpoint of public policy goals and financial capability, as was done in Chapter II.

Projections may be regarded either as targets which must be responded to or as the results of decisions as to what should be done. They are the consequences of policy decisions translated into enrollment terms. Projections, if made on the bases of budgets and programs of institutional expansion, tend to be self-fulfilling.

The independent institutions were asked to project their future enrollments on several different premises. They were first asked to supply full-time student equivalent projections for capacity in terms of optimum utilization of physical plant and other existing educational facilities. Besides the additional capacity estimates for the current year, discussed previously in this chapter, projections were requested for 1970, 1975, 1980, and 1985. Converted to headcount on the basis of current enrollment ratios, the total figure for 1985 is approximately 138,000. Eliminating junior college capacity projections from the total produces a figure of about 124,000 for the independent senior colleges and universities.

Relating these figures to total enrollment projections prepared by the Coordinating Board, the Liaison Committee made a preliminary judgment that the private sector of higher education in Texas could educate a minimum of 20 percent of total higher education enrollment at least through 1980 and that, with increased state understanding, utilization, and assurance of a continuing and relatively modest level of financial support, it could be counted upon to educate up to 25 percent of the total projected enrollment through 1985.

The Coordinating Board, in further refining its projections, interpreted this to mean 20 percent of senior college enrollments and assigned to the independent senior institutions 100,000 of the 500,900 students predicted to be enrolled in four-year institutions of higher education in 1985. Ascribing some modest gains to the private junior colleges, the Coordinating Board has predicted they will have a total enrollment of 18,400 by 1985. Table 8 shows Coordinating Board enrollment projections in terms of the types of institutions expected to accommodate them between now and 1985.

In absolute numbers, this would mean an enrollment increase of almost 42,000, or 72 percent, in the independent senior colleges by 1985. Total projected enrollment growth for the private junior colleges would mean about 8,400 additional students for these institutions—an increase of more than 80 percent.

To help verify and validate the full-time student equivalent enrollment projections of the various institutions and to identify changes or variations which might occur when factors other than capacity and full utilization were considered, each private college and university participating in the study was then asked to supply "prudent headcount" estimates for 1968, 1970, 1975, 1980, and 1985. The projections supplied on this basis are summarized, by classifications of institutions, in Table 9. The 1985 estimates totaled 135,623, of which 33,963 were accounted for

Table 8
ENROLLMENT PROJECTIONS, TEXAS PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION, 1968–1985

Year	Junior College Enrollments Public	Junior College Enrollments Private	Senior College Enrollments Public	Senior College Enrollments Private	Total
1968	87,600	11,600	211,700	61,800	372,700
1969	99,500	12,000	225,200	63,100	399,800
1970	112,800	12,400	241,000	64,300	430,500
1971	129,200	12,800	260,200	65,500	467,700
1972	143,300	13,200	269,900	67,500	493,900
1973	159,000	13,600	270,200	69,800	521,600
1974	176,000	14,000	288,900	72,200	551,100
1975	194,300	14,400	298,500	74,700	581,900
1976	213,900	14,800	308,400	77,100	614,200
1977	229,300	15,200	319,700	79,900	644,100
1978	239,800	15,600	330,500	82,600	668,500
1979	250,300	16,000	337,700	84,400	688,400
1980	259,800	16,400	345,300	86,300	707,800
1985	305,600	18,400	400,900	100,000	824,900

SOURCE: "Enrollment Projections, Texas Post-High School Education, 1968–1985," Coordinating Board, Texas College and University System.

Table 9

PRUDENT HEADCOUNT PROJECTIONS, INDEPENDENT COLLEGES AND UNIVERSITIES OF TEXAS, 1968–1985

Classification of Institutions	1968 Under-grad.	1968 Grad. & Prof.	1968 Total	1970 Under-grad.	1970 Grad. & Prof.	1970 Total	1975 Under-grad.	1975 Grad. & Prof.	1975 Total	1980 Under-grad.	1980 Grad. & Prof.	1980 Total	1985 Under-grad.	1985 Grad. & Prof.	1985 Total
Major Universities	21,021	5,463	26,484	22,221	5,467	27,688	24,162	6,148	30,310	25,990	6,614	32,604	27,188	7,100	34,288
Developing Universities	6,161	1,726	7,887	7,100	2,110	9,210	8,250	2,581	10,831	9,400	3,060	12,460	10,100	3,410	13,510
Colleges With First-Level Graduate Work	8,898	1,251	10,149	9,456	1,431	10,887	11,110	1,732	12,842	12,325	2,105	14,430	13,400	2,375	15,775
Accredited Undergraduate Colleges	14,535	30	14,565	17,605	60	17,665	22,848	360	23,208	26,543	545	27,088	30,622	725	31,347
Subtotals, Accr. Senior Insts.	50,615	8,470	59,085	56,382	9,068	65,450	66,370	10,821	77,191	74,258	12,324	86,582	81,310	13,610	94,920
Unaccredited Undergraduate Colleges	2,760	—	2,760	3,595	—	3,595	4,680	—	4,680	5,490	—	5,490	6,040	—	6,040
Unaccredited Professional School	—	575	575	—	600	600	—	625	625	—	650	650	—	700	700
Subtotals, All Senior Colleges	53,375	9,045	62,420	59,977	9,668	69,645	71,050	11,446	82,496	79,748	12,974	92,722	87,350	14,310	101,660
Accredited Junior Colleges	8,457	—	8,457	9,252	—	9,252	10,945	—	10,945	13,845	—	13,845	16,670	—	16,670
Unaccredited Junior Colleges	2,770	3	2,773	4,523	5	4,528	9,318	6	9,324	12,573	110	12,683	16,778	515	17,293
Subtotals, Junior Colleges	11,227	3	11,230	13,775	5	13,780	20,263	6	20,269	26,418	110	26,528	33,448	515	33,963
GRAND TOTALS	64,602	9,048	73,650	73,752	9,673	83,425	91,313	11,452	102,765	106,166	13,084	119,250	120,798	14,825	135,623

by the junior colleges. The total of "prudent headcount" estimates for the independent senior colleges and universities was 101,660—just slightly more than the 100,000 students assigned to these institutions by the Coordinating Board projections.

A third analysis of enrollment projections supplied by the institutions was made by the Liaison Committee, which, after it had gained considerable perspective concerning the overall, statewide situation, applied its collective best judgment to all the data supplied by each institution to take into account the following three types of response the state might make toward the private sector of higher education.

1) *Unfavorable*—This response could be either hostile or neutral—the latter, in effect, a nonresponse. Hostility assumes that public colleges will be established and/or expanded in locations which will offer significant competition (including possibly destructive competition) with the independent colleges in the same service areas. Neutrality is characterized by the absence of any effective mechanisms for cooperative planning or for the regular introduction of independent college data and policy preferences into the deliberations of the Coordinating Board and/or the Legislature.
2) *Planning and Cooperation*—This would mean that plans, problems, and competitive circumstances of the independent institutions are regularly and formally introduced into the apparatus for higher education planning in Texas. Such cooperative planning and inclusion in deliberations about the state's total higher education system implies that unnecessary and potentially destructive competition will not be offered

Table 10

PROJECTED ENROLLMENTS IN INDEPENDENT SENIOR COLLEGES AND UNIVERSITIES, 1985, UNDER VARIOUS PUBLIC POLICY ALTERNATIVES

Classification and Institution	Public Policy Alternative in Terms of the State's Attitude Toward the Independent Sector		
	Unfavorable	Planning and Cooperation	Active Support
Major Universities:			
Baylor University		8,000	
Rice University		5,500	
Southern Methodist University		12,000	
Texas Christian University		9,000	
Totals	19,000	34,500	46,500
Developing Universities:			
St. Mary's University		4,500	
Trinity University		3,000	
University of Dallas		3,000	
Totals	5,000	10,500	14,000
Colleges With First-Level Graduate Work:			
Austin College		1,500	
Abilene Christian College		4,000	
Hardin-Simmons University		2,500	
Howard Payne College*		1,000	
Incarnate Word College		1,800	
Our Lady of the Lake College		1,500	
Totals	6,250–7,750	12,300	17,000
Undergraduate Colleges:			
Bishop College		3,000	
Christian College of the Southwest**		2,000	
Dallas Baptist College**		3,000	
East Texas Baptist College		1,000	
Fort Worth Christian College**		1,000	
Houston Baptist College#		2,000	
Huston-Tillotson College		1,000	
Jarvis Christian College		750	
LeTourneau College#		1,500	
Lubbock Christian College**		1,200	
Mary Hardin-Baylor College		1,000	
McMurry College		1,500	
Paul Quinn College#		750	
Sacred Heart Dominican College		1,000	
St. Edward's University-Maryhill College		1,500	
Southwestern University		1,000	
Southwestern Assemblies of God College**		2,000	
Texas College#		750	
Texas Lutheran College		1,000	
Texas Wesleyan College		2,500	
University of St. Thomas		1,200	
University of Corpus Christi		1,000	
Wayland Baptist College		750	
Wiley College		1,000	
Totals	8,250–12,250	33,400	49,000
GRAND TOTALS	38,500–44,000	90,700	126,500

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*Howard Payne College will phase out its graduate program over the next five years and will not offer work beyond the bachelor's degree in 1985.

**Present junior colleges which have indicated plans to become four-year institutions.

#Unaccredited senior colleges assumed to have achieved regional accreditation by 1985.

without consideration of the consequences and that there will be utilization of present resources and capacities. Such cooperation implies that both the public and private sectors will share resource data, have necessary programs of student aid, as well as cooperative programs and facilities arrangements, and will assist one another in serving the needs of Texas.

3) *Active Support*—This response means that the private sector will be actively included in planning and deliberations concerning the total higher education system in Texas. Further, it assumes that the state will be prepared to assist the student in having a free choice about college attendance. This response also means that the state will aid the private sector financially if it is determined that in this way certain higher education needs can be met more effectively, that existing resources may be better utilized and exploited, or that greater economies can be achieved than if the same funds were expended in the public sector of higher education. Such a response further assumes that the state will work actively to continue the existence of the private sector so that diversity and freedom of choice will continue to exist for the students of Texas.

Table 10 shows the results of this analysis by the Liaison Committee.

Under an *unfavorable* climate those schools surviving would be able to accommodate from 7 to 9 percent of total Texas senior college enrollments by 1985—from 38,500 to 44,000 students.

In a climate of *cooperation and planning* the independent sector could accommodate from 18 to 20 percent of total senior college enrollments by 1985—about 91,000 students.

Assuming a climate of *active support*, the independent sector could educate slightly in excess of 25 percent of the total projected senior college enrollment by 1985. This would be more than 126,000 students.

In summary, the independent sector will be able to accommodate from 7 to 25 percent of the total projected senior college enrollments in Texas up to 1985, depending upon the aggressiveness and strength of the independent sector itself and upon the attitude the state adopts toward it.

To obtain a true measure of the number of students entering the private sector of Texas higher education through 1985, it would be necessary to determine what each student—from the high school senior to the baby just before being born—is going to do in terms

of college attendance and college choice. This is impossible, of course, because the decisions have not yet been made.

From now until 1985, however, such choices will be made on the basis of the social, economic, and educational factors which are at work each year during this period.

Tuition and Other Factors Which Affect College Choice

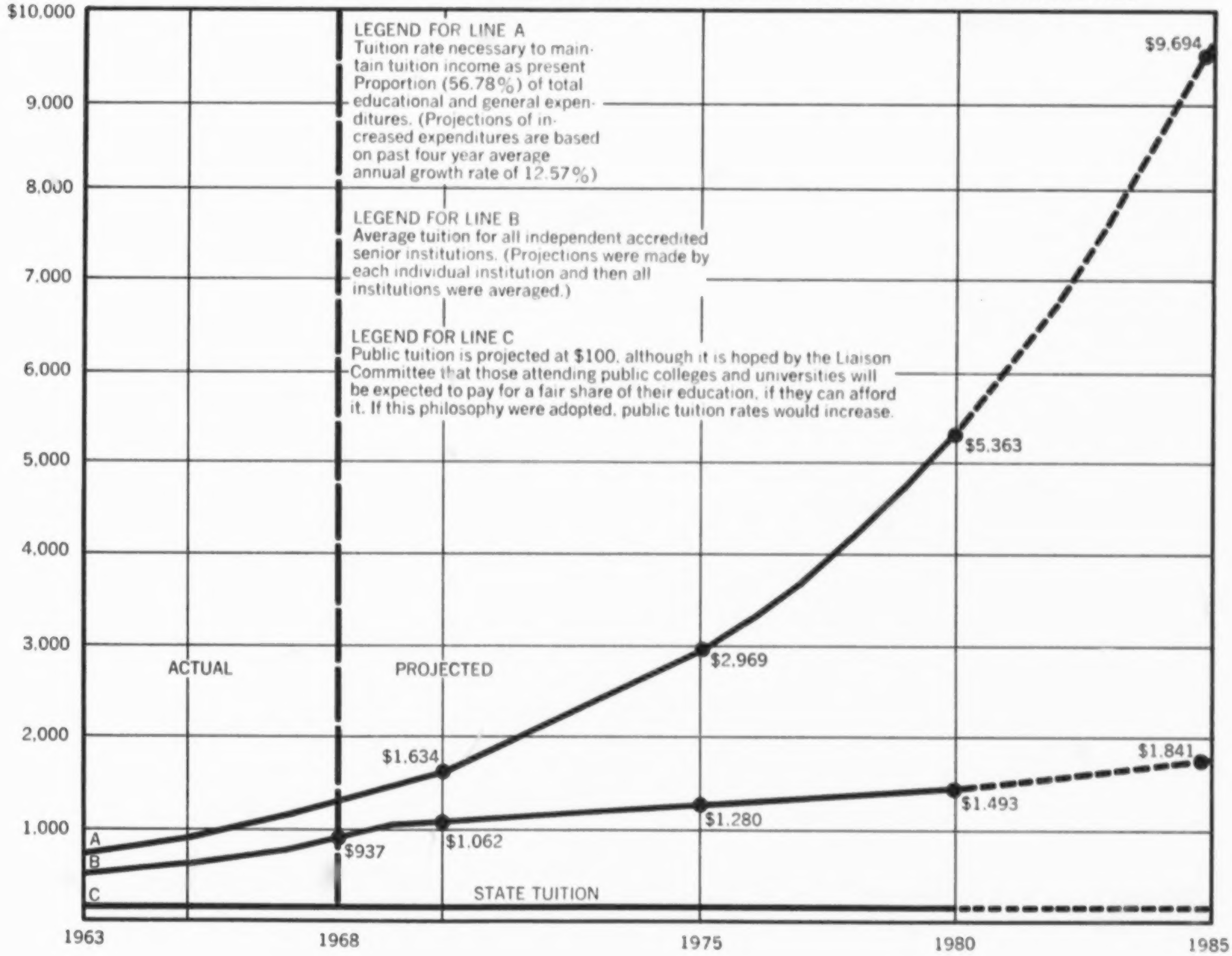
Average tuition cost at the private senior colleges in Texas has increased from $592 in 1963–64 to $791 in 1967–68, with a proposed increase to $937 in 1968–69. At the same time, tuition at the public senior colleges has remained at $100 per year for Texas residents.

Chart IX shows the average annual tuition rates which were projected by the accredited independent senior colleges and universities themselves. The projections supplied by the institutions are very conservative and do not represent as high a percentage of total educational costs as do current tuition rates. During the last four years, tuition and fees have accounted for an average of 56.78 percent of all educational and general expenditures of the accredited private senior colleges and universities. If this percentage were projected through 1985, assuming that costs would continue to increase at the same rate as for the last four years—12.57 percent annually—the tuition necessary to provide the same proportion of educational and general costs would be drastically higher than that projected by the institutions, as the chart indicates.

As the gap between public and private college tui

CHART IX

AVERAGE TUITION TRENDS FOR INDEPENDENT ACCREDITED SENIOR COLLEGES AND UNIVERSITIES



tion rates continues to increase, it becomes more and more difficult for a student to choose the independent college. Not only does it become harder for the independent sector to enroll students, but keeping tuition at such a low rate at the government-supported colleges makes it increasingly difficult for the state to finance its own system of higher education.

Among the other factors which have caused the shift from the private to the public sector are the greatly increased accessibility of public institutions of higher education, not only fulfilling a need but, in a sense, creating a demand; the open-door admissions policies of the public institutions; and the increasing quality of the public higher education system.

Also very important is the influence of parents on college choices. As the ratio of enrollments changes increasingly in favor of the public sector, there are more and more parents who have a background of public rather than private higher education. This is particularly significant in light of the fact that the influence of parents is rated by students as the most important single factor in making a decision about college.[12]

Students also tend to be influenced by press, radio, and television coverage of higher education, and the public institutions receive an overwhelming share of media coverage, because of numbers of institutions and students, as compared with the private colleges and universities. As a result, the public sector of higher education begins to have a significant impact on the student's thinking and aspirations as he matriculates in high school. Thus the social conditioning of the student leads him more and more to prefer and choose the public sector of higher education.

But perhaps more important in altering the ratio than any of the factors discussed heretofore is the general change in the concept of how the needs of our society are to be met. No longer do the people of this state or nation expect major social and educational needs to be met by private enterprise. There is hope that the private sector will assist in meeting these needs but no real expectation that it will be the major force in doing so. There is a pervasive idea that it is the responsibility of government to do whatever is necessary to meet the needs of the people. Perhaps the greatest statistical evidence of this is found in the geometric increase in budgets at all levels of government. Reflected in these budgets, of course, is not only an expansion of existing programs to serve greater numbers of people but the constant addition of new services previously not available—or provided by the private sector through the church, the family, or voluntary organizations.

Certainly 100 percent of the students making decisions about college will never prefer the public over the private. Given present conditions and societal trends, however, there is little doubt that the percentage will continue to grow in favor of the public sector. Even for the student who prefers the private sector over the public and for the growing group of young people who wish to make college choices on the basis of educational quality and program, the degree of freedom of choice continues to decline because of the costs involved. As the difference in cost to the student between the public and private institutions increases, the likelihood that the student will have a really free choice in the selection of a college decreases.

One analysis of the steps in the decision-making process about going to college factors out three basic decisions about post-high school education which must be made in the following order by the student and his family:

1) The decision to attend college and forego the income which the student might earn and contribute to his own support and that of his family.
2) The decision whether to remain at home and attend a nearby college, if there is one in commuting distance, or to reside at the college and incur the additional expense of room and board.
3) The decision to attend a low-tuition public institution or a private institution where, invariably, tuition cost will be significantly higher.

Very often, by the time the first two choices have been made and the student assesses the resources available to him for the payment of tuition, he really has no freedom of choice between a public and an independent institution of higher education.

Parental income statistics for Texas college-bound high school seniors in 1967 indicated that a large proportion of them probably could not have afforded to enter an independent institution of higher education in September of that year, even if such a college or university had been their preference. Figures published in *A Survey of College Student Financial Aid in Texas, With Projected Needs Through 1980* tend to substantiate this contention. An analysis of the study shows that 63.5 percent of all families with students enrolled in Texas colleges in 1967–68 could not afford to consider a private institution without having financial *scholarship* assistance. Roughly speaking, this means that any student from a family with an average annual income of less than $11,000 would require scholarship assistance to attend an independent college or university.

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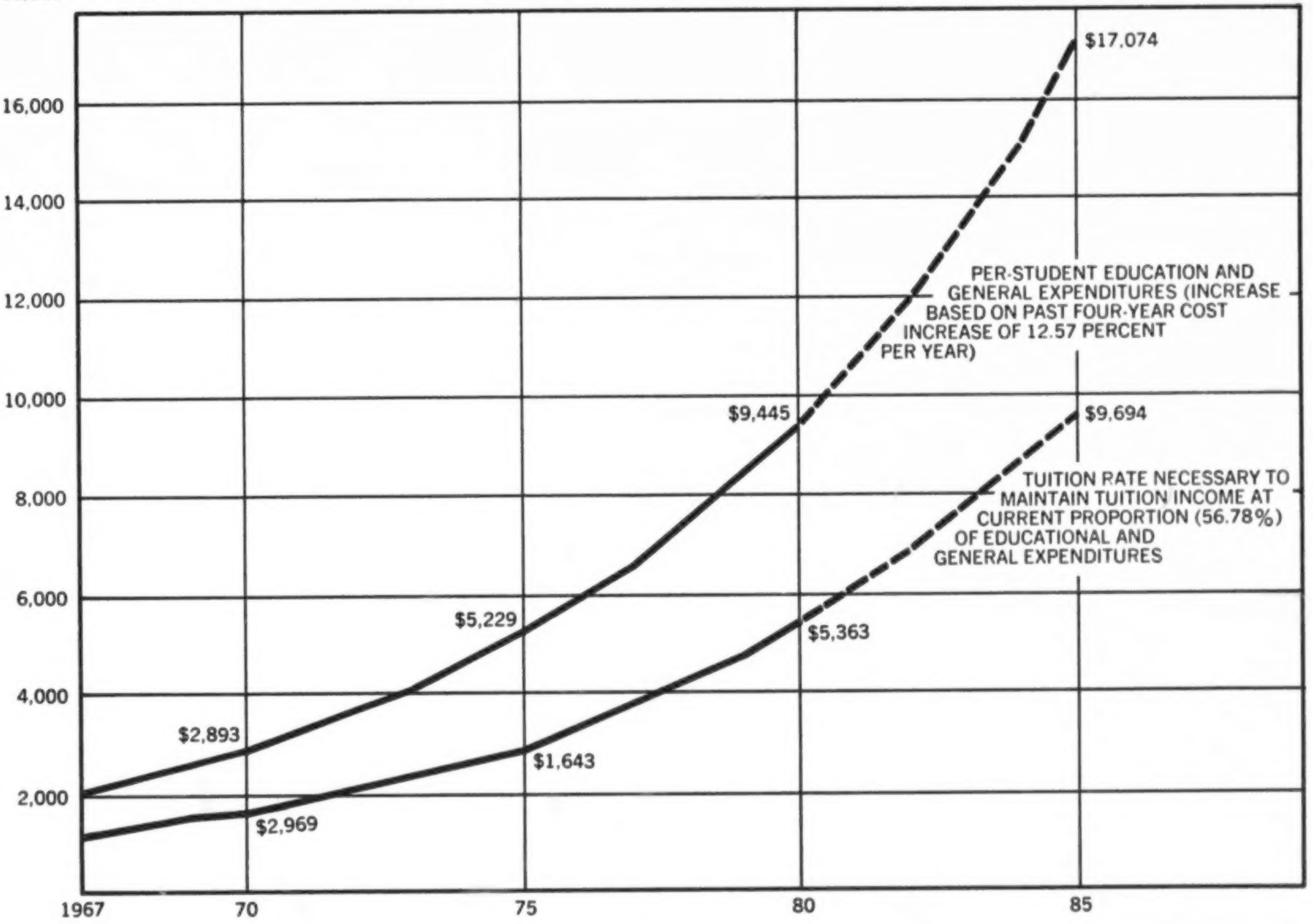
[12] American College Testing Service, *Texas High School Profile, 1966–67*, p. 18.

CHART X
(IN CONSTANT 1968 DOLLARS)
AVERAGE PER STUDENT COST FOR INDEPENDENT ACCREDITED SENIOR COLLEGES AND UNIVERSITIES



In view of all these factors, the possibility of growth in the independent sector is slight. Even to maintain the *status quo* in enrollment will require considerable initiative and aggressiveness on the part of the private sector, plus increased student aid.

Financial Problems and Considerations

Administrators and governing boards of Texas independent colleges and universities have serious concern about the way the future needs of their institutions are to be financed; some are gravely worried about just meeting current expenses. At present, all private colleges have rigidly balanced their endowment income, gifts and grants, and tuition and fees against one another in an attempt to meet their expenditures. Several independent colleges have been operating under deficit conditions for at least two years, and there is no independent college in Texas which has an endowment large enough to permit it to face the future without real financial concern.

Because more than half the educational and general income for the private institutions comes from tuition and fees, drops in enrollment are especially alarming. It has already been pointed out that first-year enrollments in the private senior colleges and universities have declined numerically for the last two years, and a decline in first-year enrollments is a harbinger of smaller classes at all levels in future years.

When the margin of financial stability is slight, the effect of a drop in enrollment can be almost catastrophic. This is especially true if budgets are projected on the basis of increasing numbers of students. Most of an institution's costs become fixed long before the scholastic year actually begins. A complete year must elapse before the variable costs in education can be reduced to match the actual number of students. Furthermore, a large percentage of the total costs will be fixed for a certain capacity level of operation and cannot be changed except over a longer period of time.

In addition to an enrollment drop, there are several other factors which can help to bring a fiscally marginal institution to its knees financially, such as a serious decline in the stock market, a dip in the long-term birth rate for any particular year, a heavier-than-usual attrition rate, or a decrease in the amount of expected gifts and grants.

If any one of these adverse conditions develops, the financial well-being of the institution is threatened. If several of them occur simultaneously, the financial condition of the college or university becomes critical. Thus the closer the private institution of higher education is to an operating deficit, the more serious any reduction in income becomes.

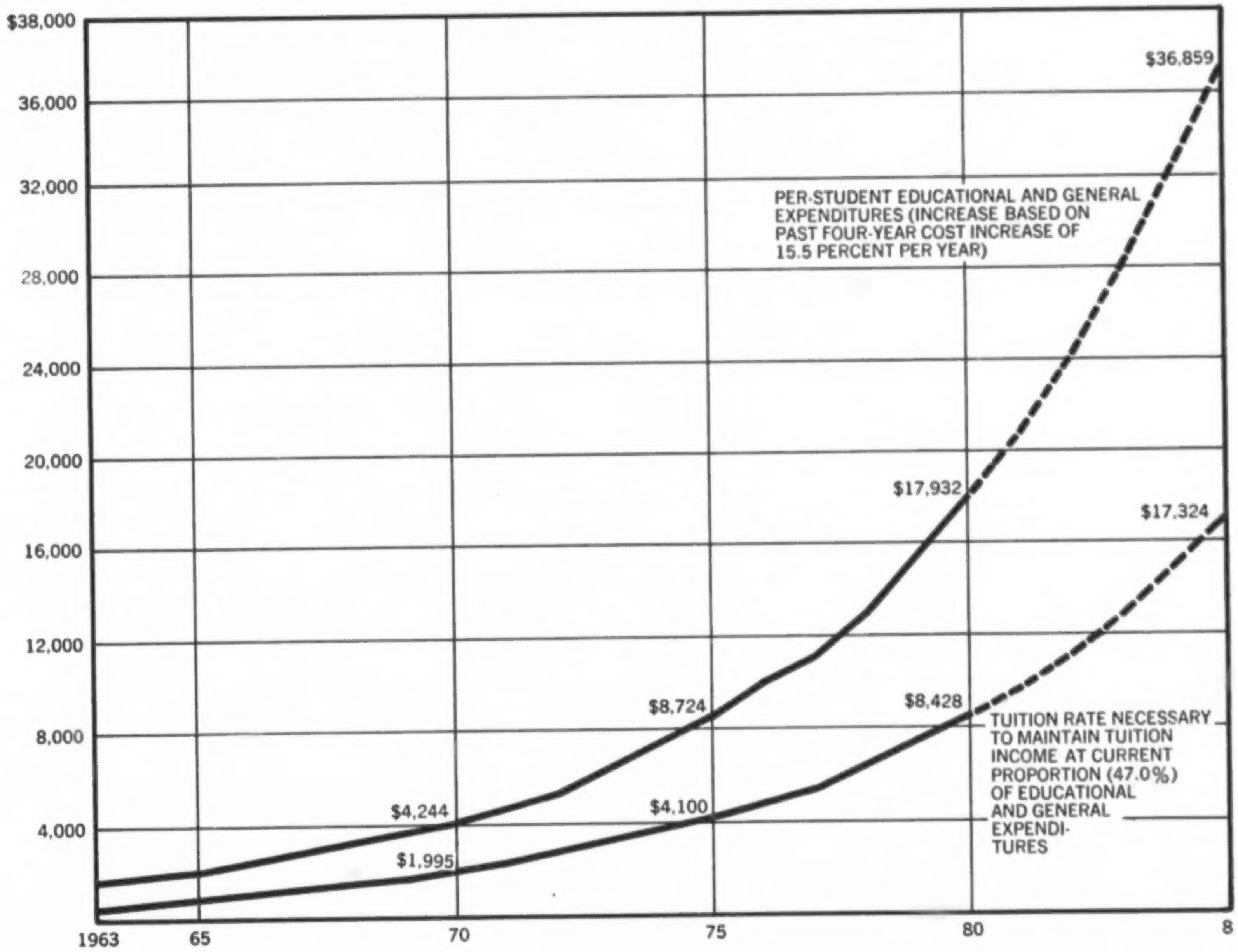
Compounding the difficult situation of the independent institutions are rapidly rising per-student costs. Over the last four years, average per-student cost in Texas independent accredited senior colleges and universities has risen from $1,349 in 1963–64 to $2,029 in 1967–68, an increase of 12.57 percent per year. In total dollar amounts, the educational and general expenditures of these colleges and universities rose from $47,764,595 to $85,751,467 during that period. If the same rate of increase in per-student costs were to continue through 1985, the results would be those shown in Chart X, which also indicates the tuition rates which would be necessary to maintain tuition income at the present 56.78 percent of educational and general expenditures.

When only the four major independent universities (Baylor, Rice, Southern Methodist, and Texas Christian Universities) are considered, costs are in-

CHART XI

AVERAGE PER STUDENT COST FOR MAJOR INDEPENDENT UNIVERSITIES

(IN CONSTANT 1968 DOLLARS)



creasing even more rapidly. During the last four years, average per-student costs for these institutions have risen 15.5 percent per year. If this trend continues and tuition is increased to maintain income from this source at the present 47 percent of educational and general expenditures, the results would be those shown on Chart XI.

Average per-student costs for the other accredited senior institutions—the three developing universities, the six colleges offering first-level graduate work, and the 15 accredited undergraduate colleges—have increased more slowly. They rose 9.16 percent annually during the period covered by the study. If this trend continues and tuition is increased to maintain income from this source at the current 74.5 percent of educational and general income, the results will be those shown on Chart XII.

The prospect that the cost trend in higher education can be turned downward, or even leveled off, is not promising. In a study by Howard Bowen, president of the University of Iowa, rising costs are analyzed in this way:

> Higher education has, up to now, not been able to achieve significant economies without deterioration of the product. Hence, educational costs have risen steadily (along with the quality of higher education).
>
> No end is in sight unless significant economies are introduced. Most educators regard education as essentially a personal activity and are skeptical about the feasibility of economies without eroding educational quality. Some economies are clearly possible, among them, use of mechanical aids to instruction, consolidation of curricula and reduction in number of small classes, increasing independent study, and the assumption of a large share of the student load by relatively low-cost junior colleges. Another important potential economy is to cut out peripheral activities that do not pay their way and to be prudent in the adding of new ones. *This kind of economy tends to be offset, however, by the fact that society thrusts more and more responsibilities on its colleges and universities. Even with good intentions and the best of management, it is doubtful if economies can make a dent in rising costs.*
>
> *If this is so, education is doomed to being an industry that requires an ever higher proportion of the national income.* [Emphasis added.]

If Bowen and others are correct in their contention that educational costs will continue to increase, then it becomes necessary for every institution of higher education—public and private—to find additional income.

Traditionally, Texas independent colleges and universities have financed themselves through three major sources of income:

1) Tuition and fees
2) Endowment income
3) Gifts and grants

CHART XII

AVERAGE PER STUDENT COST FOR INDEPENDENT ACCREDITED SENIOR COLLEGES AND DEVELOPING UNIVERSITIES

(IN CONSTANT 1968 DOLLARS)

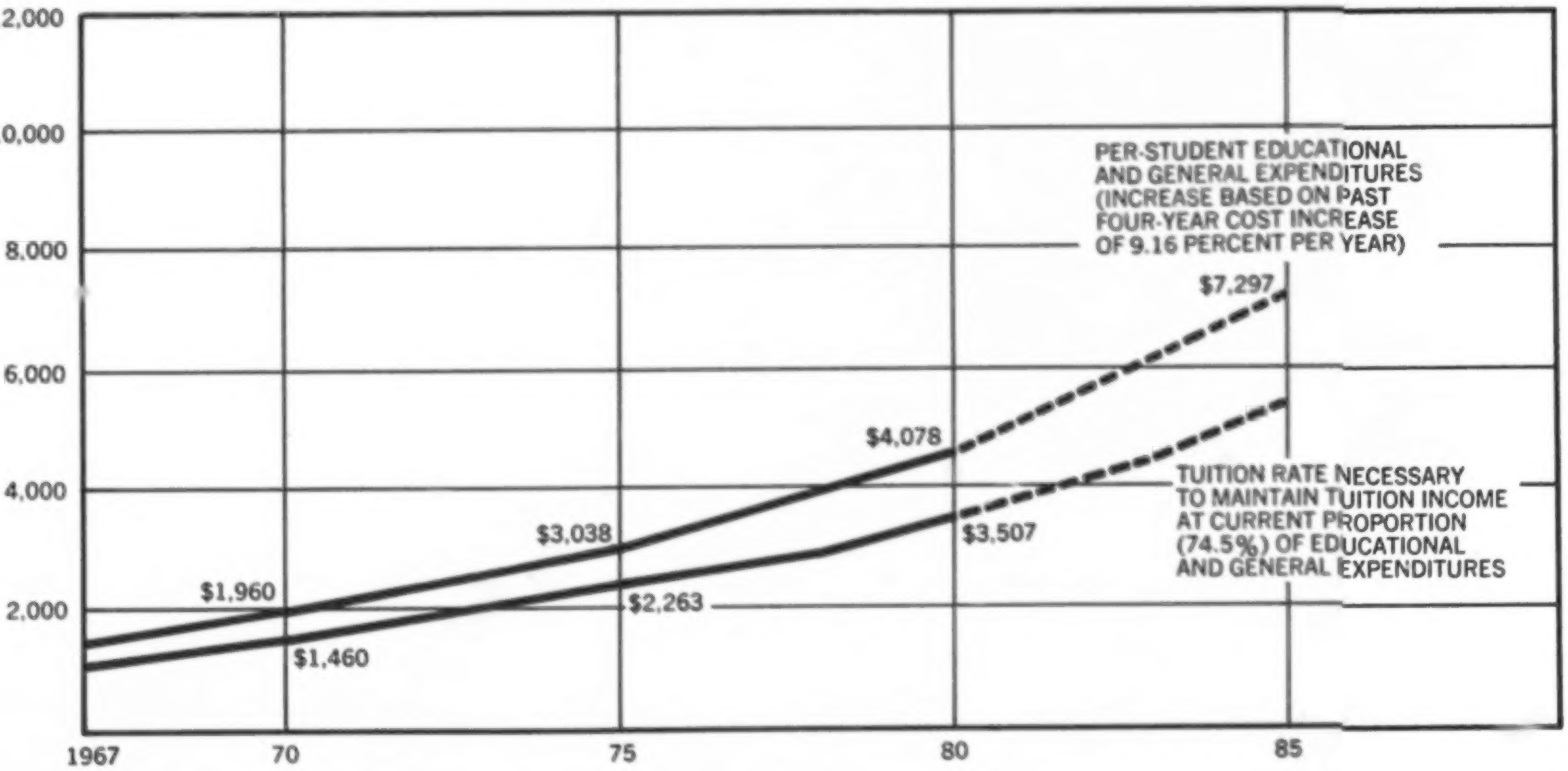


Table 11

AVERAGE TUITION RATES NECESSARY TO MAINTAIN 56.78 PERCENT OF EDUCATIONAL AND GENERAL BUDGET, TEXAS ACCREDITED INDEPENDENT SENIOR COLLEGES AND UNIVERSITIES, 1968–1985

Year	1968	1970	1975	1980	1985
Tuition	$1,153	$1,643	$2,969	$5,363	$9,694

It will be helpful to analyze each of these sources and to determine the future role it may be able to play in financing Texas independent higher education.

It has been pointed out that over the last four years, tuition income accounted for an average of 56.78 percent of the total educational and general budget expenditures for independent accredited senior colleges and universities. If tuition is increased to maintain this proportion of educational and general income and per-student costs continue to rise at the same rate as they have for the last four years (12.57 percent annually), the following tuition rates, shown on Chart X, would have to be charged for the years shown.

Charts XI and XII show the necessary increases in tuition for the major universities and the other independent accredited senior institutions, respectively, to keep tuition and fees contributing thir present proportion of educational and general income. Obviously, annual tuition rates of $17,000, or even $5,000, by 1985 are unrealistic in terms of any situation which can be visualized today. Long before tuition reaches these levels, the private colleges will have "priced themselves out of the market" for students. The study has shown that even now, cost to the student is one of the major reasons for declining percentage of total Texas higher education enrollments in the private sector. The trend can be counteracted to some extent by student aid, but if any significant amount of this is supplied by the institution, the net increase in income becomes negligible. A recent study of the economics of three major private universities (none of them in Texas) indicates that if such private institutions are to continue to get students, they must provide increasing amounts of student aid as tuition is increased. The study found that while per-student expenditures at the three institutions increased about $620 between 1962 and 1966 and gross fee income rose about $404, net fee income increased only $87. The major reason for the slow net fee income increase was the growing student aid expenditure associated with the major universities' graduate programs.

Thus the independent institutions are, for all practical purposes, caught in a vicious circle. As costs go up, they must raise tuition to secure additional income. As tuition is increased, the institution must provide more funds for student aid or lose students, who are still the chief source of revenue for most of the independent colleges and universities. Student aid is especially important at the graduate level where it is necessary, in effect, for institutions to "buy" students. At some point, it becomes useless to raise tuition because the net income produced will simply not be large enough to compensate for the additional student aid funds which would be required to maintain enrollment.

More than 27,000 (39 percent) of the almost 70,000 students enrolled in the independent sector of Texas higher education received some form of financial assistance in 1967–68. The number of recipients in the senior colleges, by level and by dollar amount in each aid program, are shown by Table 12. The same information for junior college students in the independent sector is shown by Table 13. It should be pointed out that many of the students receive several kinds of aid; hence the totals of recipients shown by the tables are much larger than the 27,000 individuals involved because the same student may be included in several aid program categories.

Student assistance amounted to $26.7 million in 1967–68—about $25.4 million in the senior colleges and $1.3 million in the junior colleges. The individual institutions provided more than $11 million of this, or 41 percent of the total, in the form of scholarships, grants, loans, and student employment. The remainder came through specific assistance programs sponsored by state and federal governments or business and industry, and through other special, restricted sources.

The problems and relationships of tuition and student assistance become even more significant when it is recognized that the institutions themselves are providing the largest part of the total amount of student aid in the private sector. Second in importance is the federal government, primarily through the government-sponsored loan programs and the college work-study program. Ranking third in importance are Texas Opportunity Plan loans, held by 3,163 independent sector students in a total amount of almost

$2.5 million. Indeed, so far as the state and most of the federal programs are concerned, the student himself is furnishing the money. The state or federal government simply guarantees his loan, and he must eventually repay it with interest.

Average amount of aid per student recipient in the private sector last year was just under $1,000. It should be kept in mind, however, that much of this was in loans or in payment for work which the student performed rather than in outright grants or scholarships.

The upward tuition spiral and the increased financial assistance this makes necessary are forcing the private colleges and universities to become institutions for the affluent and possibly the talented poor for whom adequate student aid "packages" can be put together. There are few in the private sector who would argue that the criterion for admission to such institutions of higher education should be the student's ability to pay.

If tuition cannot keep pace with the increase in costs, the question immediately becomes, "Can private philanthropy?" Two aspects of philanthropy must be considered in answering this question. One concerns endowment income; the other relates to gifts and grants.

Historically, endowment income has been the mainstay of many independent colleges and universities. Today, however, its role is not as significant, especially for the large private universities whose

Table 12
FINANCIAL AID AT INDEPENDENT SENIOR COLLEGES AND UNIVERSITIES, 1967–68

	Undergraduates	1st Level Graduates	Ph.D. & Professional	Total Dollar Amount
Institutional Scholarships and Grants	11,094	966	456	$ 7,554,282
Texas Opportunity Plan (TOP) Loans	2,761	115	74	2,308,021
Federal Traineeships and Fellowships	308	292	53	1,160,894
Federal Guaranteed Loans (Higher Education Act of 1965)	941	81	147	1,341,666
Federal National Defense Education Act Loans	7,198	269	60	4,924,676
Federal College Work-Study Programs	4,761	19	15	2,648,058
Other Fellowships, Scholarships, and Jobs Allocated or Controlled by the Institution	4,795	814	8	2,941,378
Special Funds From Business and Industry	133	83	1	275,603
Other	3,656	94	2	2,215,352
TOTALS	35,647	2,733	816	$25,369,930

Table 13
FINANCIAL AID AT INDEPENDENT JUNIOR COLLEGES, 1967–68

	Undergraduates	1st Level Graduates	Ph.D. & Professional	Total Dollar Amount
Institutional Scholarships and Grants	1,034	0	0	$ 381,138
Texas Opportunity Plan (TOP) Loans	213	0	0	159,117
Federal Traineeships and Fellowships	0	0	0	0
Federal Guaranteed Loans (Higher Education Act of 1965)	17	0	0	12,925
Federal National Defense Education Act Loans	461	0	0	306,471
Federal College Work-Study Programs	320	0	0	191,439
Other Fellowships, Scholarships, and Jobs Allocated or Controlled by the Institution	311	0	0	160,629
Special Funds From Business and Industry	3	0	0	760
Other	283	0	0	128,448
TOTALS	2,642	0	0	$ 1,340,927

Table 14

PERCENTAGE OF EDUCATIONAL AND GENERAL BUDGETS FROM ENDOWMENT INCOME, TEXAS INDEPENDENT ACCREDITED SENIOR COLLEGES AND UNIVERSITIES, 1963–64—1967–68

Year	Average for All Senior Colleges and Universiies	Major Universities	Developing Universities and Senior Colleges
1963–64	17%	25%	9%
1964–65	11%	23%	8%
1965–66	15%	20%	8%
1966–67	14%	18%	8%
1967–68	12%	16%	8%

operating costs are higher than those of institutions offering only undergraduate and perhaps first-level graduate work.

In a report on the future of private colleges, *Time* magazine recently stated that the 100 schools which have 92 percent of the nation's $12 billion in university endowment have discovered that income from it is not the answer to meeting increasing costs. Columbia, for example, has quadrupled its endowment in the last 30 years, but income from this source covers only 22 percent of the school's expenses today, as compared with 42 percent in 1947.

In Texas, the independent colleges and universities have seen income from endowment grow from $8,305,522 in 1963–64 to $10,623,705 in 1967–68. The 1963–64 figure accounted for 17 percent of the total educational and general expenditures of the institutions that year. However, the 1967–68 income constituted only 12 percent of those expenditures.

The contribution of income from endowment to the educational and general budgets of the independent accredited senior institutions in Texas over the last five years is summarized in the following table. It should be noted that in contrast with the general situation nationally, the major independent universities in Texas derive a higher percentage of educational and general budgets from endowment income than do the developing universities and other senior colleges in the private sector.

It seems fairly clear that income from endowment as a percentage of educational and general budgets is declining, with the largest percentage of decrease in the major universities where endowment has, as recently as 1963–64, provided one-fourth of educational and general income. Figuratively speaking, however, endowment income will continue to be financial lifeblood for certain colleges and universities, and their strength will come from continued contributions of large gifts and bequests.

Before there can be income from endowment, there

must be endowment; and this must come from gifts and grants of various kinds. There is much first-generation wealth in Texas, and a strong case can be made for gifts of estates to private institutions of higher education. The significance and potential benefits of a number of such gifts have been diminished or delayed by litigation contesting the legality of instruments which purported to convey the estate to an institution of higher education or to provide that income from the estate be paid to the college or university. Certainly endowment is vital to a strong institution of higher education and is being actively sought, as it should be. Unless it can be secured in sizable amounts, however, it cannot play the major role in the solution of the private sector's financial problems.

Endowment income is dependent both upon the principal and the way in which the principal is invested. Because of the relatively small endowments of Texas independent colleges and universities, it becomes most important for them not only to increase the amount of principal substantially but to implement vigorous investment policies which will assure the maximum return with safety.

Private philanthropy continues to provide significant support to Texas private higher education. Gifts and grants have been one of the fastest-growing sources of income for Texas independent colleges and universities during the five-year period under study. In total dollar amounts, such income has increased from $47,764,595 in 1963–64 to $85,751,467 in 1967–68. The following table shows the proportion this gift and grant income contributed to total educational and general budgets during the five-year period.

Despite the growth in absolute amounts, and in some cases in percentages, there are beginning indications that gifts and grants will not be able to maintain their present proportion of total budgets.

As was mentioned in connection with endowment, there are substantial untapped private resources in Texas which could be utilized by the private sector, although a tremendous increase in private support will be necessary to keep pace with increasing current operating costs.

To expect a meaningful increase from this source may not be realistic. There are certain national trends which indicate that philanthropy to private education may be declining. In the United States as a whole, for example, voluntary corporate support of higher education increased 52.9 percent from 1961 to 1966. As a percentage of current-fund expenditures, however, such support declined from 15.9 percent to 12.8 percent in 1966.[13] Gifts to all categories of private liberal arts colleges—coeducational, men's, and women's—declined 10 percent, 16.2 percent, and 12.6 percent, respectively, in that year.[14] Another recent survey reports that private support for 50 leading United States colleges and universities in the independent sector declined in 1966–67 for the second straight year, dropping about 15 percent during the two-year period. In addition, foundation support for the 50 institutions also continued to decline.[15]

An unpublished study concerning finances of selected private universities suggests that in the future there will be less giving to higher education by foundations and private philanthropy. The study states:

> The ratio of individual giving for all philanthropic purposes to income has actually declined in the last few years; the rate of giving to performing arts organizations and to state-supported universities has increased and is likely to increase even more in the future; there will be diminishing returns to fund-raising activities as they become more and more plentiful, and it may become more and more difficult to match the rates of increase in contributions achieved in the past; and, finally, there is a changing composition of the student body—a smaller

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[13] *1966 Corporation Support of Higher Education*, Council for Financial Aid to Education, Inc., New York, N.Y., September, 1967, p. 22.

[14] *Bulletin of the Foundation Library Center*, Vol. VIII, No. 6, November, 1967, p. 113.

[15] Survey by John Price Jones Company, New York, reported in *The Chronicle of Higher Education*, May 20, 1968, p. 3.

Table 15

PERCENTAGE OF EDUCATIONAL AND GENERAL BUDGETS FROM GIFTS AND GRANTS, TEXAS INDEPENDENT ACCREDITED SENIOR COLLEGES AND UNIVERSITIES, 1963–64—1967–68

Year	Average for All Senior Colleges and Universities	Major Universities	Developing Universities and Senior Colleges
1963–64	23%	24%	21%
1964–65	25%	24%	26%
1965–66	25%	29%	19%
1966–67	29%	35%	22%
1967–68	27%	31%	21%

and smaller fraction of undergraduates come from families of great wealth and a higher and higher proportion of students are at the graduate level, students who seldomly are wealthy and in most cases have loyalties as well to their undergraduate colleges.

The president of Independent College Funds of America, Inc., Byron K. Trippett, believes that foundation giving will become more and more selective, being granted for special purposes rather than for general operating expenses. He also suggests that at least for the time being the pressure on private philanthropy to "do something" about United States social problems, including race, urban needs, and poverty, will tend to decrease giving to independent institutions of higher education.

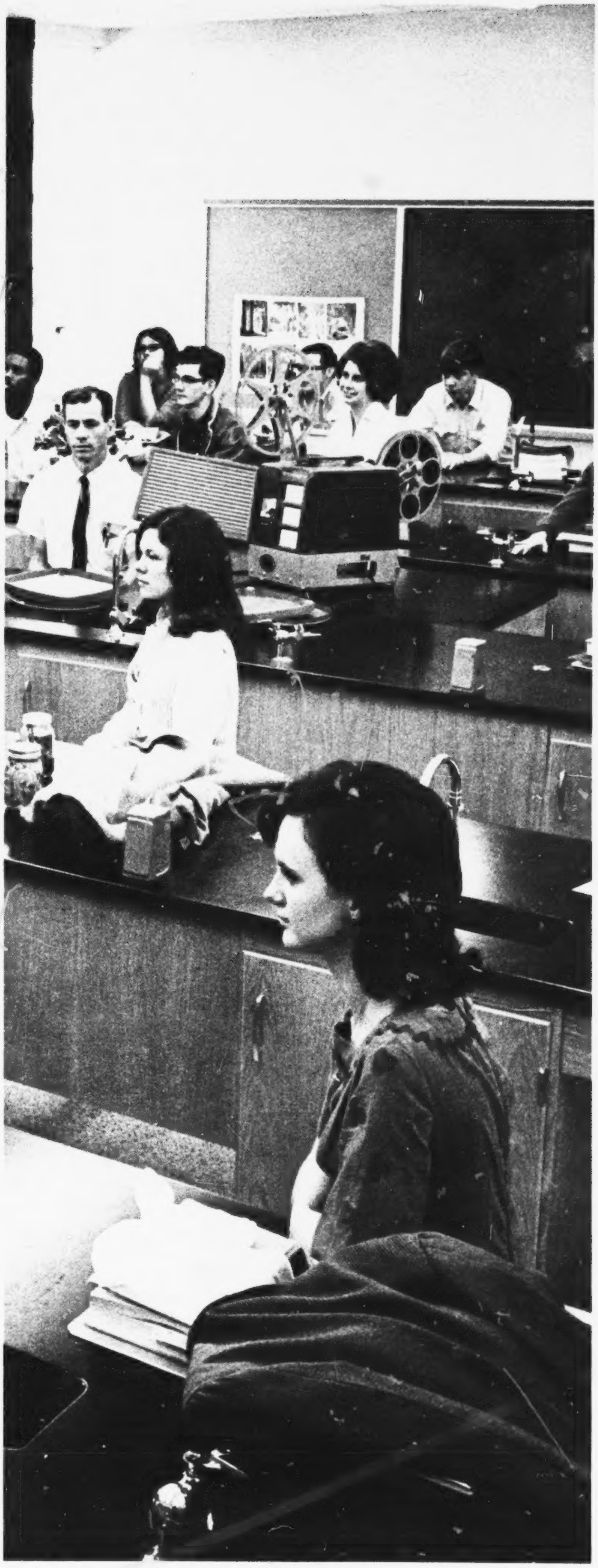
Perhaps one of the most important factors in private higher education's competitive situation in obtaining more funds from private philanthropy is the increasing trend for the public sector of higher education to seek such gifts. The American Alumni Council and the Council for Financial Aid to Education, Inc.. report that while gifts to private universities declined 13.3 percent in 1966. those to public institutions of higher education increased 23.8 percent.[16] During 1966–67, The University of Texas System alone obtained more than $10 million in private gifts. This figure is more than any single private institution in Texas received and represents many times the operating budgets of numerous of the independent institutions.

The Liaison Committee does not suggest that public institutions should be unable to compete for private enterprise funds. It is, however, pointing out that as the state-supported institutions become more aggressive in their solicitation of private funds, the independent institutions are having greater difficulty in raising necessary funds for their operating expenses from this source.

In Texas, the denominational church has historically been one of the significant financial supporters of independent higher education. Today, the direct contribution of the church to the independent college is, for most schools, quite small. Many church officials indicate that it is impossible for the church to increase this support because the demands on the church budget already far surpass the income of the church.

Thus, while the role of gifts and grants will remain critical to the independent institutions of higher education, they will find it more and more difficult to obtain from private philanthropy the amounts of money needed to cover rapidly increasing operating costs.

There are upper limits to the amount of tuition



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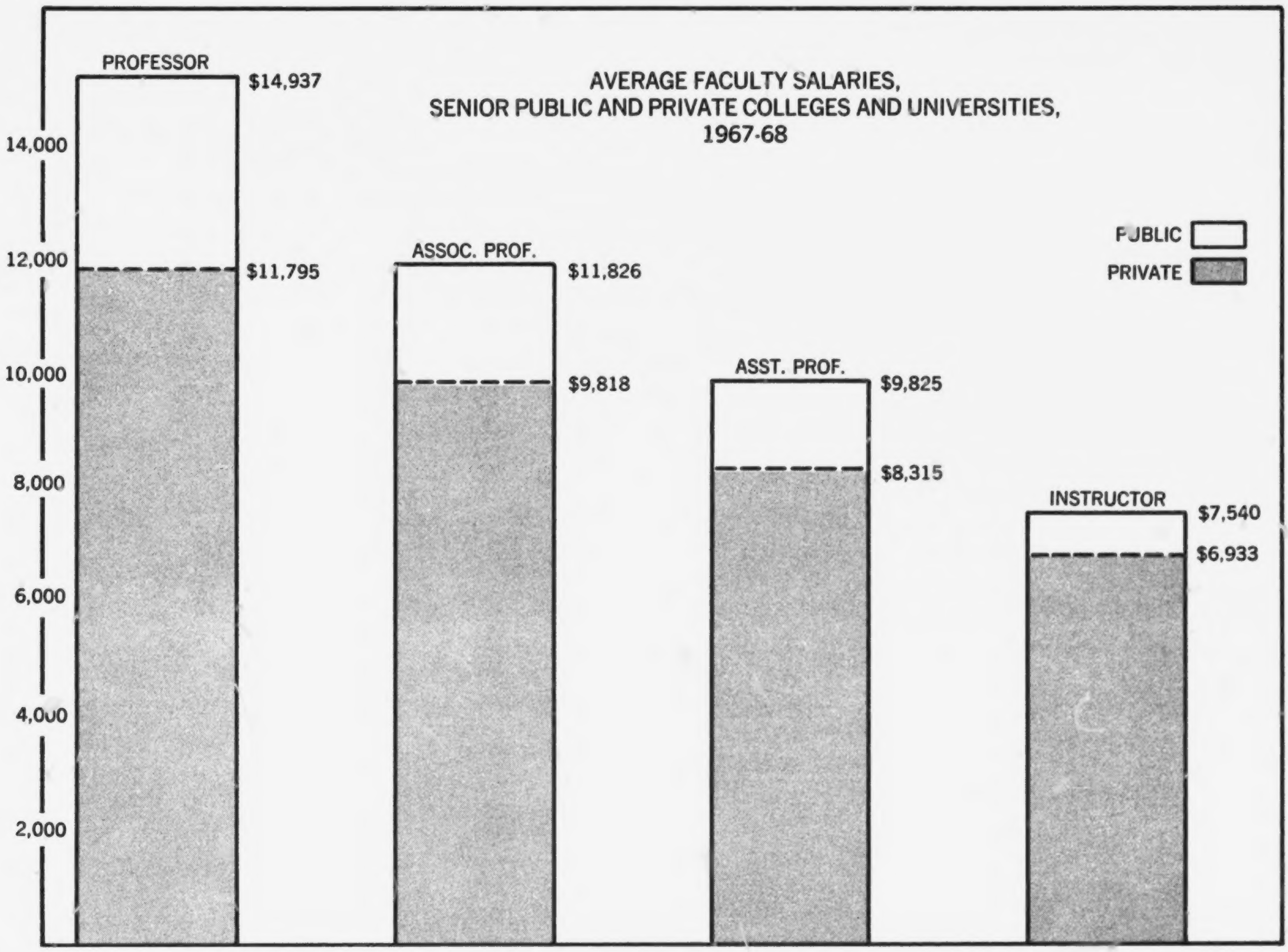
[16] *Bulletin of the Foundation Library Center, op. cit.*

CHART XIII



AVERAGE FACULTY SALARIES,
SENIOR PUBLIC AND PRIVATE COLLEGES AND UNIVERSITIES,
1967-68

which can be charged; there are trends which indicate that philanthropy is being diverted rapidly from private higher education into other activities and social services. Overshadowing all these developments are the increasing costs of higher education. To sum up, tuition, endowment income, and gifts probably cannot keep pace with the rising costs.

Thus every independent college and university faces a very grave and difficult financial future. Perhaps most of the institutions can solve these problems and survive, but on the evidence at hand this seems unlikely. Unless new and untapped sources of income are discovered and utilized in the next few years, the very existence of private higher education may be in jeopardy.

Faculty Salaries and Competition for Faculty

The men and women who comprise the faculties of the private institutions of higher education in Texas bring to the state a tremendous wealth of intellectual, cultural, and artistic resources. Numbering more than 4,500, they come from a variety of backgrounds in terms of education, geography, and religion.

In comparison with faculty members in the public institutions, those in the independent sector work at generally lower salary levels. Chart XIII compares the average salaries of faculty members at various ranks in the public and private sector institutions. Faculty salaries are probably the most significant factor in increasing per-student costs in both sectors. Over the last few years, such salaries have been the most rapidly increasing single item in all college budgets. The immediate future holds little promise that this increase will not continue.

Competition for faculty between the public and private sector institutions can be illustrated by citing some specific salary figures. During 1966–67, the highest salary paid a professor at a public sector university was $30.000. whereas the highest pay for a person with this rank at an independent sector university in 1967–68 was $27.500. Average salary for professors in the public sector was $13.728 in 1966–67. For 1967–68, averages in the private sector were $14.585 in the major universities, $12.526 in the developing universities, $10.054 in the colleges with first-level graduate programs. and $9.985 in the accredited undergraduate colleges. For the years upon which this comparison is based. average salary of associate professors in the public sector was $10.916. while averages in the private sector were $11.195 in the major universities, $10.696 in the developing universities, $8,561 in the colleges with first-level graduate programs. and $8,816 in the accredited undergraduate colleges. Similar salary situations prevailed for assistant professors and instructors. Generally speaking. only some of the major private universities. and a few isolated institutions in the other categories. can really compete with the public institutions for faculty members in terms of salaries alone.

Despite these discrepancies. however. the independent sector institutions have generally been able to recruit and retain well-qualified faculty for several reasons largely unrelated to salaries. Among them are the following:

1) Many faculty members have a personal preference for an independent institution because of its generally different climate and environment and the nature of its programs.
2) Most faculty members in the private colleges and universities have a certain loyalty to the constituencies of the institutions and a dedication to their educational philosophies or approaches. In a number of cases, this amounts to contributed services at little or no cost to the institution (particularly at some of the Catholic colleges and universities) or a willingness to teach at a lower salary than the faculty member could command elsewhere.
3) In some cases, the geographical location of the private institution and its smallness attract faculty members who place high value on a nonmetropolitan setting. student contact. and flexibility. In the case of research-oriented faculty members. however, these factors are handicaps in recruitment.

The faculty recruitment situation is becoming increasingly difficult for the independent institutions, and more than ever they must exploit their attractions in terms of offering different kinds of freedom and the particular advantages inherent in their situations.

Although some independent colleges are still competitive. they can remain so only up to a point. Continuing salary increases in the public sector institutions may create such a wide gap that. in a reverse twist of the student tuition situation. the independent institutions will find able. qualified faculty members "priced out of the market."

The great majority of faculty members in the private sector institutions fall into the 30–39 age bracket. although 13 percent of the total are from 20 to 29. It should be remembered that the totals include lecturers and teaching assistants. who tend to be younger than those holding higher academic ranks.

About 35 percent of the faculty members in the independent colleges and universities hold doctoral degrees. and an additional 45 percent hold master's degrees. The percentage of Ph.D. holders. as might be expected. is relatively high in the major universities and quite low in the junior colleges. particularly in the unaccredited institutions. Full-time faculty members who hold Ph.D.'s constitute 71 percent of those in the major universities. 59 percent in the developing universities. 38 percent in the colleges with first-level graduate programs. and 40 percent in the accredited undergraduate colleges. Average for all accredited independent senior institutions is 58 percent. More than 80 percent of the faculty members holding professorial rank in the accredited senior institutions have Ph.D.'s.

Highest degrees held by faculty members in the independent institutions were granted by a wide variety of colleges and universities throughout the United States and in foreign countries. In some of the institutions. especially the smaller and the unaccredited ones, a significant number of the faculty members hold highest degrees from the colleges in which they are teaching; in others. not a single faculty member was listed as holding his highest degree from the institution concerned.

Only eight of the independent institutions supplying data on religious affiliations or preferences of faculty have faculties composed exclusively of members of the religious denomination which sponsors the college. In many of the colleges with long traditions of church sponsorship. members of the sponsoring denomination are in a distinct minority on their faculties—and in their student bodies as well.

Although in many of the colleges and universities the faculties are much more integrated than the student bodies. white faculty members comprise the overwhelming majority of the total in the independent sector. Of the 4.218 faculty members for whom ethnic origins were reported, 3.861 were classified as white, excluding 77 with Spanish surnames; 215 as Negro; and 65 as "other nonwhite."

Generally speaking, faculty members in the independent institutions are well experienced, although many have relatively short teaching experience in the reporting institutions. The smaller colleges with more isolated geographical locations tend to have older faculties with longer tenure at the institutions concerned.

Graduate and Professional Education

Each year the demand for more highly educated and better trained professional people becomes greater. This is especially true in Texas, where the economy is rapidly changing from predominantly agricultural and ranch-oriented to sophisticated, advanced manufacturing and electronic research and development. It is vitally important that all the resources of higher education be utilized as effectively, economically, and as quickly as possible to sustain and promote the continued economic growth of the state.

The independent colleges and universities have helped in a very substantial way to provide large numbers of Ph.D.'s in the liberal arts and sciences to help meet the state's growing needs for skilled and well-educated manpower—in education at every level, government, social welfare, business, industry, and the professions. Many of the independent colleges were originally founded to help assure an educated ministry for the church, and this remains an important, although subsidiary, function for some of the institutions. Several of them maintain seminaries; others provide pre-seminary programs and education and training for religious workers other than ministers.

The following 13 independent institutions currently offer graduate and/or professional education:

Doctoral and Master's Degree Programs:

Baylor University
Rice University
Southern Methodist University
Texas Christian University
Trinity University (plans to offer Ph.D.)
University of Dallas (plans to offer Ph.D.)

Master's Degree Programs Only:

St. Mary's University
Abilene Christian College
Austin College
Hardin-Simmons University
Howard Payne College (plans to phase out master's degree program)
Incarnate Word College
Our Lady of the Lake College

The range of graduate and professional offerings is very broad in the independent sector, extending from such professional fields as teaching, law, medicine, and engineering to the traditional liberal arts and to such specialized programs as social work, library science, and audiology and speech pathology.

Every graduate and professional program of the independent sector contributes significantly to meeting the needs of the state and nation. However, the independent sector makes crucially important contributions to the manpower needs of Texas, in terms of numbers and quality, in the following four fields:

Teacher Education
Law
Medicine
Engineering

Although each of these fields is vitally important to the state, medicine and engineering are discussed here in greater detail as examples of promising possibilities for state contracts with independent institutions.

Teacher Education

Teacher training, both historically and currently, is one of the most significant contributions of the private sector. With burgeoning student populations in elementary and secondary schools as well as higher education, with expanding emphasis on pre-school and special education, and with the growing demand for special service and administrative personnel, the supply of teachers and school personnel continues to lag behind the demand.

In the ten-year period between 1955–66 and 1965–66, enrollment in Texas public schools increased 43 percent and the number of classroom teachers (excluding kindergarten) 55 percent. Projections indicate that between now and 1971–72, public school enrollment will continue to increase by 6.6 percent and public school personnel by 9.5 percent.

In 1965–66, 42 percent of the bachelor's degree graduates of independent colleges and universities were in teacher education, as compared with 37 percent of the bachelor's graduates of the public institutions. The private institutions produced 2,996 teacher education graduates in 1965–66—23 percent of the state's total. As was the case for teacher education graduates of the public colleges and universities, about 60 percent of these were teaching in Texas during the following school year.[17]

Many of the teachers produced by the independent sector had specific training which equipped them to

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[17] *Teacher Supply and Demand in Texas*, Texas Education Agency, 1967.

work in the public schools' special education programs. where there is still a critical shortage of qualified personnel. Trinity University offers programs for teachers of the deaf and pre-school children; Incarnate Word College prepares teachers of the mentally retarded; and Our Lady of the Lake College specializes in audiology and speech pathology, as does Southern Methodist University. The latter institution also offers such special programs as one for the training of art therapists to work with mentally retarded children. Our Lady of the Lake College initiated a new program in 1967–68 to train teachers of the economically and culturally deprived.

Besides the significant numbers of teachers and the types of specialization offered by the independent sector institutions. several of them are planning to offer the master of arts program in teacher education. which will significantly raise the quality of the preparation of classroom teachers. However. if certification requirements are raised, as they have been in some states, to require a five-year M.A. or M.A.T. program. a very real problem may be created for the undergraduate teacher training institutions in the private sector.

Law

Three of the independent institutions—Southern Methodist University. Baylor University. and St. Mary's University—have schools of law approved by the American Bar Association, which is tantamount to accreditation. In addition, South Texas College of Law in Houston. a free-standing institution holding provisional approval of the American Bar Association, also has a sizable enrollment; however. it did not participate in this study to any significant extent.

For 1967–68. there was a total law school enrollment of more than 1,700 in the private sector institutions. Thirty-seven percent of the law degrees granted in Texas in 1966–67 were from independent colleges and universities. In addition. these law schools also provide much-needed services and special resources for their local communities and for the state and region. Both Southern Methodist University and Baylor University operate legal aid clinics for indigent persons in their local areas.

Through its Southwestern Legal Foundation. Southern Methodist University provides an excellent continuing education program for lawyers and law-enforcement officers. Southern Methodist also offers specialized medical-legal training in cooperation with The University of Texas Southwestern Medical School. and St. Mary's University is planning to initiate such a program with The University of Texas South Texas Medical School in San Antonio.

Although Baylor University plans to hold its law school enrollment stable at 275, Southern Methodist University and St. Mary's University plan growth to enrollments of 850 and 1,000. respectively. by 1985.

Medicine

Baylor University operates the only independent medical school in Texas. The other two medical schools in the state are components of The University of Texas System, as is a fourth scheduled to open officially in September, 1968. Baylor College of Medicine began operation under Baylor auspices in Dallas in 1903. It was moved to Houston in 1943 and developed as part of the Texas Medical Center.

The Baylor College of Medicine is engaged in the instruction of medical students, graduate students working toward the Ph.D. degree, interns, residents, and postdoctoral fellows. Current enrollment is composed of 350 medical students, 80 Ph.D. students, 80 interns, 246 residents, and 126 postdoctoral fellows—a total of 882. The college is staffed by 450 salaried faculty members and has a full-time faculty equivalent of 502. In addition to the students who are the primary responsibility of the school, it is providing instructional services to nursing, occupational therapy, and physical therapy students from Texas Woman's University in Denton. Through its Department of Psychiatry, it also provides preceptorships for psychology students from the University of Houston.

Physical facilities consist of 500,000 square feet in the Cullen, Jones, Anderson, Jewish, and Service Buildings.

The purposes and objectives of the medical school are to educate health personnel at all levels, to train faculty members for medical schools, to participate in research in the medical sciences, and to provide a variety of patient care services in charity hospital facilities and other public institutions.

Located in the state's largest metropolitan area, the school's faculty engages in a wide variety of academic services to the Houston Public School System and to special schools, institutes, and colleges by providing lecturers, visiting speakers, consultants, advisors, and visiting professors. In the service area, the institution is responsible for medical staffing at Ben Taub and Jefferson Davis Hospitals. It also has responsibility for patient care at the large Veterans Administration Hospital in Houston as well as for setting standards for patient care at Methodist Hospital, St. Luke's Hospital, and the Texas Institute for Rehabilitation and Research.

The research programs at Baylor College of Medicine are among the largest of those at any medical school or full university in the nation. During the 1967–68 fiscal year, the college expected to spend more than $15 million in specific project research and in research training programs. It has established an international reputation because of such distinguished research contributions as those in heart surgery under the leadership of Dr. Michael DeBakey, Dr. Denton Cooley, and their associates. As a consequence, patients are brought to Houston from all over the world for definitive medical care.

As an integral part of Baylor University, the College of Medicine is sponsored by the Baptist General Convention of Texas. However, when the college moved to Houston from Dallas in 1943, there was an agreement between the Baptist General Convention and the M. D. Anderson Foundation of Houston that the college would be operated on a non-sectarian basis without regard to religious affiliation. The college annually receives about $130,000 from the Baptist General Convention for operating costs. Total operating budget for the current year, including the research funds previously mentioned, is in excess of $20 million.

The policy of the college for many years has been to draw its students from the national population on the theory that, because of the extreme mobility of physicians, colleges of medicine must be looked upon as national rather than strictly state or regional resources. In the past, entering classes of 84 students usually included about 35 Texans. The tendency in the last year or two, however, has been to admit entering classes composed about 50 percent of Texans. From 20 to 30 percent of each class is composed of students from states contiguous to Texas, with the balance from the remainder of the United States.

Baylor College of Medicine is now planning and working toward doubling its enrollment of entering medical students, with the hope that almost a 100 percent larger entering class (160 as opposed to the present 84) can be enrolled by the fall of 1974. This is dependent upon additional financial resources and the construction of additional classroom facilities which would be needed for the expansion. The major need is for a new science building which would cost an estimated $8 million. If this enlargement of facilities is possible, it is likely that the proportion of Texans in the entering classes could be increased from 35 to 42 out of 84 to something like 100 out of 160, depending upon the availability of qualified candidates who could compete with the national applicant pool.

The proposed expansion, college administrators say, will have to be financed through a combination of private, state, and federal resources, since the private sector could not realistically be expected to double its financial commitment to Baylor within the next few years. Enrollment increases are out of the question unless additional classroom and laboratory facilities are provided, since the enrollment ceiling now in effect was established by accreditation authorities.

Baylor's College of Medicine also has capabilities for expanding its program of selecting, educating, and training prospective members of faculties of medicine. It spends about $3 million annually on research and training projects specifically designed to prepare faculty members to staff the expanding numbers of colleges of medicine in the nation. Additional enrollment in the graduate studies program would permit an increase in the expected annual output of 15 Ph.D.'s per year during the next decade.

The growing need for more physicians in the state is acknowledged by educational planners and by the Texas Medical Association, which has urged an immediate expansion of existing medical education facilities in Texas, the approval of a new four-year medical school as soon as possible, and consideration of a second new school. Expansion of Baylor's College of Medicine has been mentioned as an especially promising possibility.

A study completed in 1967 indicates that Texas is producing less than half its own medical manpower, while demand continues to increase both because of population growth and the new medical programs such as Medicare and Medicaid, which provide governmental financing of medical services. Recent surveys show that there is one medical doctor in Texas for every 997 persons, compared to a United States physician-population ratio of one to 660. Only 45 percent of the physicians who have joined the Texas Medical Association since 1961 are natives of Texas, and 52 percent of this group received their medical training in other states. Deans of Texas medical schools report that the number of qualified applicants who did not gain admission in 1967–68 would fill the entering classes of several new medical schools.

The problems of establishing new medical schools may be illustrated by the case of the state's newest public medical school, The University of Texas South Texas Medical School in San Antonio. Authorized by the Legislature in 1959, it will officially open in September, 1968—a time lapse of almost ten years.[18] Almost $26 million in state funds has been appropriated for the school since it was authorized.

Through cooperative arrangements with Baylor University's College of Medicine, the state might buy on a contract basis the education of from 58 to 65 additional medical students a year, contingent upon the expansion plans discussed above, at much lower cost than it could construct, equip, and staff a new medical school to accommodate this number of students. Not only would such a plan be more economical, but it would have the advantage of operating from an established and prestigious base much sooner than a new medical school could be activated.

Contractual arrangements of this kind have worked well in New York, where the need for additional manpower in this field was recognized. The state is subsidizing 12 existing private medical schools, each of which has agreed to accept five or six additional students each year. The subsidy is in the form of $5 million in capital funds for expanding facilities plus $6,000 a year for each additional student accepted. This plan has created an "instant medical school" at far less expense to the state than building one or more new institutions to provide such training. The arrangement has been so satisfactory that a similar one is now under consideration to provide training for additional students in independent schools of dentistry.

Since one of the major problems of new medical schools is apparently the recruitment of faculty, and since it is generally accepted that there will be need for additional public medical schools or expansion of existing ones in Texas in the next decade or so, it might also be in the state's interest to contract with Baylor for the education and training of medical school faculty.

Another possibility in the area of contracting is dentistry, where manpower supply is also below demand. There are currently two schools of dentistry in the state. One is operated in Dallas by Baylor University and the other in Houston by The University of Texas. Baylor University's College of Dentistry has been educating, in addition to Texans, residents of surrounding states which do not have dental schools—notably New Mexico, Oklahoma, and Colorado. Current enrollment is 527, and the budget for 1967–68 was almost $1.4 million. There are 62 full-time equivalent faculty members.

College administrators say that when Oklahoma and Colorado open schools of dentistry, the Baylor unit will be able to take more Texas residents, probably absorbing the equivalent of the number of Texans who now attend out-of-state dental schools.

Again, contractual arrangements would buy dental education at a much lower cost than would the establishment of new schools of dentistry (although these may be necessary, too). They would also take advantage of existing internship arrangements with the Pedodontic Section of John Peter Smith Hospital in Fort Worth and already established exchange and cooperative arrangements with such institutions and agencies as the Southwest Center for Advanced Studies, Children's Medical Center, City Health Department, and the Veterans Administration Hospital in

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[18] During its formative stages, this medical school's administrative staff utilized office space and other facilities at Trinity University, a private sector institution.

Dallas; Brooke Army General Hospital in San Antonio; Fitzsimmons Hospital in Denver, Colorado; Walter Reed Hospital in Washington, D.C.; Baptist Memorial Geriatric Hospital in San Angelo; and Denton State School in Denton.

Contracting or cooperative arrangements might also be possibilities to produce paramedical personnel. Manpower shortages in this field have reached such a critical stage that the Texas Hospital Association has set up a Health Careers Program to recruit high school students for education and training programs in nursing, medical technology, physical therapy, and the many other specialties needed to provide hospital and health care. It is estimated that 10,500 additional professional nurses are currently needed in Texas. Some progress toward meeting the demand is indicated by greatly increased enrollments in nursing programs throughout the state this year at all levels —diploma, associate, baccalaureate, and licensed vocational.

A number of the independent institutions of higher education are educating students for paramedical specialties. Texas Christian University, Baylor University, Incarnate Word College, and Sacred Heart Dominican College all have nursing programs, and Bishop College has a cooperative program with Baylor University School of Nursing. Texas Christian University, Sacred Heart Dominican College, and Our Lady of the Lake College offer B.S. degrees in medical technology, and the latter institution has programs to train hospital dietitians and speech pathologists. Baylor University Medical Center in Dallas trains medical technologists, radiologists, and physical therapists. Incarnate Word College, in addition to nursing, offers training in medical records science and radiological technology. Sacred Heart Dominican College also has a program in medical records library science.

Trinity University offers a master of science degree in hospital administration and a related M.S. program in comprehensive health planning. It also sponsors a one-year program for training administrators of small hospitals and nursing homes and an annual executive development seminar for 50 selected hospital administrators. Baylor University offers a master of hospital administration degree through an affiliation with the Army Medical Service School at Fort Sam Houston, San Antonio. Currently, the program is available only to army officers, but the institution has indicated that it would make such training available to civilians if funding were available.

These examples are illustrative rather than a comprehensive listing, but they do suggest that in some of these areas a strong case can be made, on the basis of economy and availability, for using established programs, existing physical facilities and faculties, and long-standing arrangements for internships and giving students practical experience.

Engineering

Another important area where crucial manpower needs exist is engineering. Texas supports more public schools of engineering (8) than any other state except California (12). Two of the independent institutions—Southern Methodist University and Rice University—also have schools of engineering which offer graduate work through the Ph.D., and St. Mary's University offers master of science degrees in three engineering fields. In addition, Trinity University in San Antonio and LeTourneau College in Longview offer bachelor's degrees in engineering. The program at Rice, like all other graduate programs at that institution, is oriented toward the Ph.D. Despite the fact that Rice is a limited-enrollment institution, engineering enrollments are relatively large.

The number of baccalaureate degrees in engineering granted in the United States has been relatively constant at about 38,000 per year since 1958. Nationally, the percentage of bachelor's degrees in engineering, in relation to total bachelor's degrees awarded to men, has declined from 17 percent in 1959 to 13 percent in 1965–66. In Texas, the percentage is even lower—11.9 percent. Nationally, the ratio of master's to bachelor's degrees in engineering has increased from about 18 percent in 1958 to 37 percent in 1965–66 (the proportion in Texas is 30.1 percent) and is expected to level off at 75 percent by 1975. The percentage of Ph.D. degrees in engineering as a proportion of B.S. degrees is also increasing at a more moderate rate—from about 2.7 percent in 1958 to 6.5 percent in 1965–66, with the prediction that it will reach 10 percent by 1975. The figure is already approaching that—8.5 percent.

The clear import of these statistics is that a master's degree, rather than a bachelor's, will be increasingly considered the minimum acceptable academic credential for engineers. Thus graduate education in engineering assumes a new importance in any proposed program to meet manpower needs in this area —and graduate education in engineering is expensive, especially with small numbers of students. For good educational economics, certain minimum levels of degree production must be maintained. In engineering, one set of stated standards is the following:

1) About 150 bachelor's degrees a year, for three or four curricular areas.

2) At least 49 master's degrees per year in *each* major area.

Only The University of Texas at Austin, Texas A&M University, and Texas Technological College meet the bachelor's degree standard. At the master's degree level, only The University of Texas at Austin, Texas A&M University, and Southern Methodist University meet the standard.

Because of these minimum levels, it is now generally conceded that California has unnecessarily overexpanded the number of its engineering schools. Nationally, the consensus seems to be that until such time as the existing engineering schools have very nearly doubled their enrollments, it is difficult to see how the establishment of new schools can be justified.

Southern Methodist University's Institute of Technology, like many other engineering schools in the nation, is urgently seeking more students. The need for more engineers in the Dallas-Fort Worth area is acute because the industrial base of the region is dominated by a complex of aircraft, electronic, and scientific manufacturing operations requiring skilled manpower which can be produced only by strong graduate programs in engineering and applied science.

In the North Central Texas area, only Southern Methodist University and The University of Texas at Arlington offer graduate work in engineering, and that at UT-Arlington is a relatively new program at the master's degree level only.

To dramatize manpower needs, the Southwest Center for Advanced Studies has developed data which show that the 1966 employment of scientists and technologists in the Dallas-Fort Worth area alone in business, government, and academic institutions was the equivalent of one-half all the bachelor's degrees plus all the master's degrees and all the doctorates in engineering produced by Texas institutions of higher education in 1965. This does not take into account the fact that many of the degrees conferred in that year were granted to part-time students already employed. Southern Methodist University granted 133 master's degrees in engineering that year, of which nearly 100 were conferred on part-time students.

The SCAS report further notes that although graduate enrollment in the area roughly matches its percentage of the state's population (26 vs. 20 percent), graduate enrollment in engineering and applied science is only half this proportion and that, furthermore, only 20 percent of these enrollees are full-time students. Data in the report indicate that to meet the national average and to sustain the economic growth of the area, regional institutions of higher education will need to turn out five times the present number of

master's degrees in science and engineering and 70 times the present number of doctorates. This assumes, of course, that area needs are to be met solely by area institutions, which is quite unlikely to be the case.

Southern Methodist University, which has carried the burden of graduate engineering education in the North Central Texas area, has developed a graduate engineering education program tailored to the needs of local industry and institutions of higher education. The program relies heavily upon the closed-circuit television network and other facilities of The Association for Graduate Education and Research, a consortium of independent institutions of higher education which will be more fully described in a subsequent section of this chapter. The main thrust of basic and applied science in the SMU Institute of Technology is focused in the following five operating areas:

Electronic Sciences
Computer Sciences
Information and Control Sciences
Thermal and Fluid Sciences
Solid Mechanics

Additional fields will be developed as funds, demand, and currents of events dictate. Those foreseen as probable are space sciences, mathematical sciences, and bioengineering sciences.

Bachelor's degrees are now offered in aerospace engineering, civil and environmental engineering, electrical engineering, industrial engineering, mechanical engineering, and systems engineering.

Master's degrees are offered in ten engineering fields: aerospace, biomedical, civil and environmental, electrical, industrial, mechanical, systems, applied science, engineering administration, and engineering science.

The Ph. D. is not designated by field, but the following areas of concentration are available: aerospace, civil, electrical, systems, mechanical, and applied science.

To a large extent, the undergraduate engineering program at Southern Methodist University was a regional one until about 1966, when a national student recruiting drive was undertaken to make the Institute of Technology into a more representative institution. As a relatively high-tuition independent university, SMU has always had difficulty in attracting large numbers of undergraduate engineering students. To overcome some of the problems involved and reach potential students, the Institute of Technology has developed a large and expensive scholarship program and an expanded cooperative living program. Another method of overcoming high campus living costs is by offering undergraduate engineering education via talk-back television to other colleges and universities in the area, including community junior colleges. This would permit a student to complete most of his program while attending an institution at or near his home. He would transfer to Southern Methodist University or to one of the public institutions offering engineering for junior and senior years.

In addition, there are significant numbers of men now employed in area industry as technicians and low-level designers. Many of them have had two years of college education and now wish to complete work for an engineering degree, although they cannot afford to become full-time students. Night school programs in engineering throughout the nation have generally proved uneconomic and are being phased out. However, through the TAGER television network, now extending into several area industrial plants, engineering courses can be offered these employees during the day at very little expense. Southern Methodist University now has an enrollment of 1,000 industrial students seeking degrees in engineering and applied science and has extensive educational involvements with the following companies:

Bell Helicopter
General Dynamics
Geotech-Teledyne
Texas Instruments, Inc. (Dallas and Sherman)
Collins Radio
Ling-Temco-Vought (Greenville, Grand Prairie, and Garland)

Table 16
DEGREE PRODUCTION GOALS, SOUTHERN METHODIST UNIVERSITY
INSTITUTE OF TECHNOLOGY, 1967–1985

	Numbers Produced By:				
Degree	1967	1970	1975	1980	1985
Bachelor's	100	140	200	250	300
Master's	135	200	350	400	450
Ph.D.	2	20	40	70	90

Table 17

ENGINEERING DEGREES GRANTED BY TEXAS INSTITUTIONS OF HIGHER EDUCATION, 1966 AND 1967

	B.S.		M.S.		Ph.D.	
Institution	1966	1967	1966	1967	1966	1967
The University of Texas at Austin	366	427	120	126	65	59
Texas A&M University	327	350	101	199	34	39
Texas Technological College	189	250	49	31	2	3
University of Houston	134	211	23	48	5	6
Lamar State College of Technology	117	104	7	3		
The University of Texas at Arlington	120	113				
The University of Texas at El Paso	61	71		1		
Texas A&I University	35	47	3	1		
Prairie View A&M College	23	23				
Totals, Public Institutions	1,372	1,596	303	409	106	107
Rice University	40	37	39	27	28	34
Southern Methodist University	67	71	180	145	2	6
LeTourneau College	30	67				
St. Mary's University	8	6	2	1		
Trinity University	10	8				
Totals, Private Institutions	155	189	221	173	30	40
TOTALS	1,527	1,785	524	582	136	147

University Computing Company

Quantitative goals of the Institute, in terms of degree production, are shown by Table 16.

Present enrollment at the undergraduate level is 269 full-time student equivalents, with projected increases to 420 in 1970, 600 in 1975, 735 in 1980, and 900 in 1985. The present undergraduate engineering budget is $400,000, and there are 12 full-time faculty equivalents. These figures are expected to increase to $1,440,000 and 40, respectively, by 1985. The estimate is that 300 additional undergraduate students could be accommodated now and that, in addition to the above projections, 250 more students could be accommodated in 1970, 200 more in 1975 and 1980, and 100 more in 1985.

At the master's degree level, the 266 full-time student equivalents currently enrolled represent a much larger headcount figure because, as has been mentioned, many of them are part-time students employed in industry. Southern Methodist University was, up to 1967, the largest producer of master's degrees in engineering in Texas, as shown by Table 17, and the number is expected to increase. Enrollment projections for the master's program are 350 in 1970, 550 in 1975, 680 in 1980, and 740 in 1985. The present budget of $740,000 annually is expected to increase to $1,185,000 by 1975 and $1,475,000 by 1985. There are currently 19 full-time faculty equivalents for the master's degree program, and projections indicate that this figure will increase to 30 in 1975 and 37 by 1985. The estimate is that an additional 185 full-time student equivalents could be accommodated in the program now and that, in addition to the above projections, 145 more students could be enrolled in 1970, 200 in 1975, 210 in 1980, and 250 in 1985.

Current full-time student equivalent enrollment in the Ph.D. program is 62, and it is estimated that 45 additional students could be accommodated now. Enrollment projections, with indications of estimated additional capacity in parentheses, are 84 (55) for 1970, 155 (60) in 1975, 210 (70) in 1980, and 285 (65) in 1985. The current budget is $300,000, and 12 full-time faculty equivalents are assigned to the doctoral program. These figures are expected to increase to $2,100,000 and 61, respectively, by 1985.

The Dallas-Fort Worth area is the only major metropolitan center in the nation with science-based industry and without significant area production of Ph.D's in science and engineering. It is the objective of the Southern Methodist University Institute of Technology to overcome this deficiency in a substantial way, although it does not expect to supply all the local Ph.D. requirements in the field. It is assumed that in an area of rapid growth such as the Dallas-Fort Worth complex, some importation of talent will always be necessary.

The director of the SMU Institute of Technology cautions that although the growth in graduate engineering education has been spectacular in recent years, it would be a mistake to expect such growth to continue. The ratio of bachelor's degrees to advanced degrees in engineering has risen from 100 to 1 in 1900 to about 3 to 1 in 1967–68, and it is projected that this ratio will be 2 to 1 by 1975. Realistically, the ratio can never exceed 2 to 1, or it becomes questionable whether the students are actually engaged in graduate study. Thus graduate engineering enrollments should level off by 1975 unless there is an increase in bachelor's degree production, and B.S. degree output is not increasing. Growth is expected to continue at Southern Methodist University because scientific industry in the area will continue to grow, increasing the B.S. in engineering degree population in the metropolitan area. However, this will not necessarily be true everywhere.

Thus, although needs for graduate engineering education must be met, an extensive and expensive expansion of facilities for such programs does not seem justified in the long-range view. A proposal has been made that Southern Methodist University, in cooperation with the TAGER television network, establish a "Metro Tech" program expanding the present operation to other institutions of higher education at a greater distance—perhaps as far away as Waco and Abilene— to offer pre-engineering courses and increase production of bachelor's degrees in engineering. The graduate aspects of the program would also be expanded, with consideration being given to seeking some state support on the basis that the plan is contributing significantly to meeting the state's needs for trained manpower to assure maintenance of industrial growth and development and to cope with the many urban and other types of problems which can be dealt with only by engineering skill.

Again, contracting arrangements whereby the state would buy engineering education at a lesser cost than it could be provided by new public programs are promising possibilities. A general structure for such contracting arrangements is explored in an analysis of Dallas-Fort Worth area regional higher education needs and resources in the next section of this chapter.

On a smaller scale, at least in terms of numbers, cooperative arrangements might also be feasible between Rice University and the University of Houston in the Harris County metropolitan area. Both institutions have Ph.D. programs in engineering.

Current undergraduate engineering enrollment at Rice is 454, with projections of 515 in 1970, 600 in 1975, 712 in 1980, and 823 in 1985. Graduate engineering enrollment is now 177, with projections of 241 in 1970, 303 in 1975, 336 in 1980, and 409 in 1985. Rice does not allocate its departmental budgets by level of instruction. Total budget for the engineering program in 1967–68 was $1,065,000. This is expected to increase to $1,361,000 by 1970, $1,629,000 in 1975, $1,857,000 by 1980, and $2,173,000 by 1985. The full-time equivalent engineering faculty, now numbering 52, is expected to be 54 in 1970, 59 in 1975, 69 in 1980, and 81 in 1985. The primary thrust of all graduate engineering education at Rice has been toward the Ph.D., although the master's has been granted either as an interim degree or to students who for various reasons are unable to pursue work toward the Ph.D. This year the institution is beginning a fifth-year program leading to a graduate professional degree in various fields (master of mechanical engineering, for example) which will replace the B.S. degree in specific engineering areas.

Regional Analysis—Dallas-Fort Worth Area

To illustrate how the public and private sectors of higher education might work together to better utilize the resources of both, some analysis of the Dallas-Fort Worth area has been attempted. This highly urbanized North Central Texas region was chosen because it has the largest need for additional programs of higher education and because some cooperative work is already taking place there.

For the purpose of this analysis, the Dallas-Fort Worth area will be considered to consist of Dallas, Tarrant, and Denton Counties. This does not coincide with Standard Metropolitan Statistical Areas, trading areas, or the area encompassed by the North Central Texas Council of Governments, but it seems more realistic than any of these in terms of higher education needs and resources. The three counties have an estimated 1967 population of almost 2 million, of which 231,995 (about 12 per cent) are estimated to be of college age.[19]

The industrial base of the area is dominated by scientific and technologically oriented manufacturing operations. It is a finance, insurance, and corporate business center not only for the region but for the Southwest. Both population and economic growth have been, and continue to be, rapid.

Eighteen institutions of higher education or related research facilities are located in the three counties. The institutional mix is composed of five independent senior colleges, three public senior colleges, three private junior colleges, two public junior colleges, a private dental school, a public medical school, the upper division of a private nursing school, and two research and teaching facilities. A listing of the institutions by category follows:

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[19] Projections of college-age population are derived from total population projections done by the Bureau of Business Research, The University of Texas at Austin, for the Water Development Board and subsequently refined and adopted as a basis for all state planning, including that by the Coordinating Board, Texas College and University System.

Independent Universities
  Southern Methodist University, Dallas
  Texas Christian University, Fort Worth
  University of Dallas, Irving
Independent Undergraduate Colleges
  Bishop College, Dallas
  Texas Wesleyan College, Fort Worth
Independent Junior Colleges
  Dallas Baptist College, Dallas
  Christian College of the Southwest, Dallas
  Fort Worth Christian College, Fort Worth
Public Universities
  The University of Texas at Arlington
  North Texas State University, Denton
  Texas Woman's University, Denton
Community Junior Colleges
  Dallas County Junior College (El Centro), Dallas
  Tarrant County Junior College, Fort Worth
Independent Professional Schools and Research Facilities
  Baylor University College of Dentistry, Dallas
  Baylor University School of Nursing
    (Upper Division), Dallas
  Wadley Research Institute, Dallas
  Southwest Center for Advanced Studies, Dallas
Public Professional School
  The University of Texas Southwestern
    Medical School, Dallas

Three of the private institutions, a senior college and two junior colleges, have moved to Dallas since 1960—Bishop College from Marshall, Dallas Baptist College from Decatur, and Christian College of the Southwest from Garland. All have experienced rapid growth in the urban location.

Dallas Baptist College is planning to become a four-year institution and will enroll third-year students in September, 1968. Christian College of the Southwest also has similar long-range plans. The University of Dallas was established in 1956. The other independent senior institutions are long established in their present locations, as are the two public senior colleges

Table 18

ENROLLMENT IN DALLAS-FORT WORTH AREA INSTITUTIONS OF HIGHER EDUCATION, BY LEVEL, 1967–68

Type of Institution	1st Year	2nd Year	3rd Year	4th Year	5th Year	Special	Total Undergrad.	Grad. & Professional	Total
Private Senior Colleges	5,405	3,889	3,475	2,715	117	935	16,536	4,345	20,881
Public Senior Colleges	8,889*	5,490*	4,785*	3,929*			23,093*	2,892*	30,534
Private Junior Colleges	1,106	453					1,559		1,559
Public Junior Colleges	8,963	977				295	10,235		10,235
									63,209

*These totals do not include figures for Texas Woman's University, which were not immediately available by level. The 4,549 total current enrollment at that school is included in the total in the last column.

in Denton. The University of Texas at Arlington was begun as a junior college branch of what is now Texas A & M University, later became a four-year college, and was made a part of The University of Texas System in 1965. Dallas County Junior College opened in September, 1966, and Tarrant County Junior College in 1967. The Coordinating Board, Texas College and University System, recently announced plans to establish an additional upper-division public college in the area or, alternatively, to contract with existing private colleges for expanded enrollments.

Outside the area proper, but still deserving mention in any consideration of higher education resources, are Austin College at Sherman, a member of the TAGER federation, and East Texas State University at Commerce, independent and public senior colleges, respectively. Nearby public junior colleges are Cooke County Junior College in Gainesville, Grayson Junior College in Sherman-Denison, and Weatherford Junior College in Weatherford. To the south are two private junior colleges—Southwestern Assemblies of God College at Waxahachie and Southwestern Union College at Keene. Locations of the area institutions are shown by Map B.

The independent institutions in the area have assets totaling well over $200 million, including $130 million in plant, $62 million in endowment, and more than $45 million in current budgets.

About 63,000 students are enrolled in public and private higher education institutions in the area, as shown by Table 18. More than 16,000 students from the three-county area are enrolled in independent institutions of higher education in Texas. Most of these—13,000-plus—are attending independent institutions in Dallas and Tarrant Counties.

Taking into consideration total enrollments of the area independent institutions, it should be pointed out that the 22,440 students comprise about 32 percent of the present enrollment in all Texas private higher education and that the 20,881 students enrolled in the senior colleges comprise about 36 percent of that in private senior institutions in the state. Graduate and professional enrollments in the area independent colleges and universities are significantly larger than those in the public sector.

Whether the independent colleges will continue to accommodate this proportion of the enrollment is dependent upon a number of factors, one of the major considerations being the state's attitude toward the private sector, especially in terms of establishing additional public higher education institutions. An analysis of several types of projections from private institutions of higher education in the area indicates that if the unfavorable attitude discussed in an earlier section of this chapter prevails, enrollments in the senior colleges may drop below the present level to about 17,000 by 1985. A favorable attitude in terms of planning, cooperation, and narrowing the cost gap would probably raise this figure to 35,500, and some type of active support and contracts would further increase it to 47,000 or more.

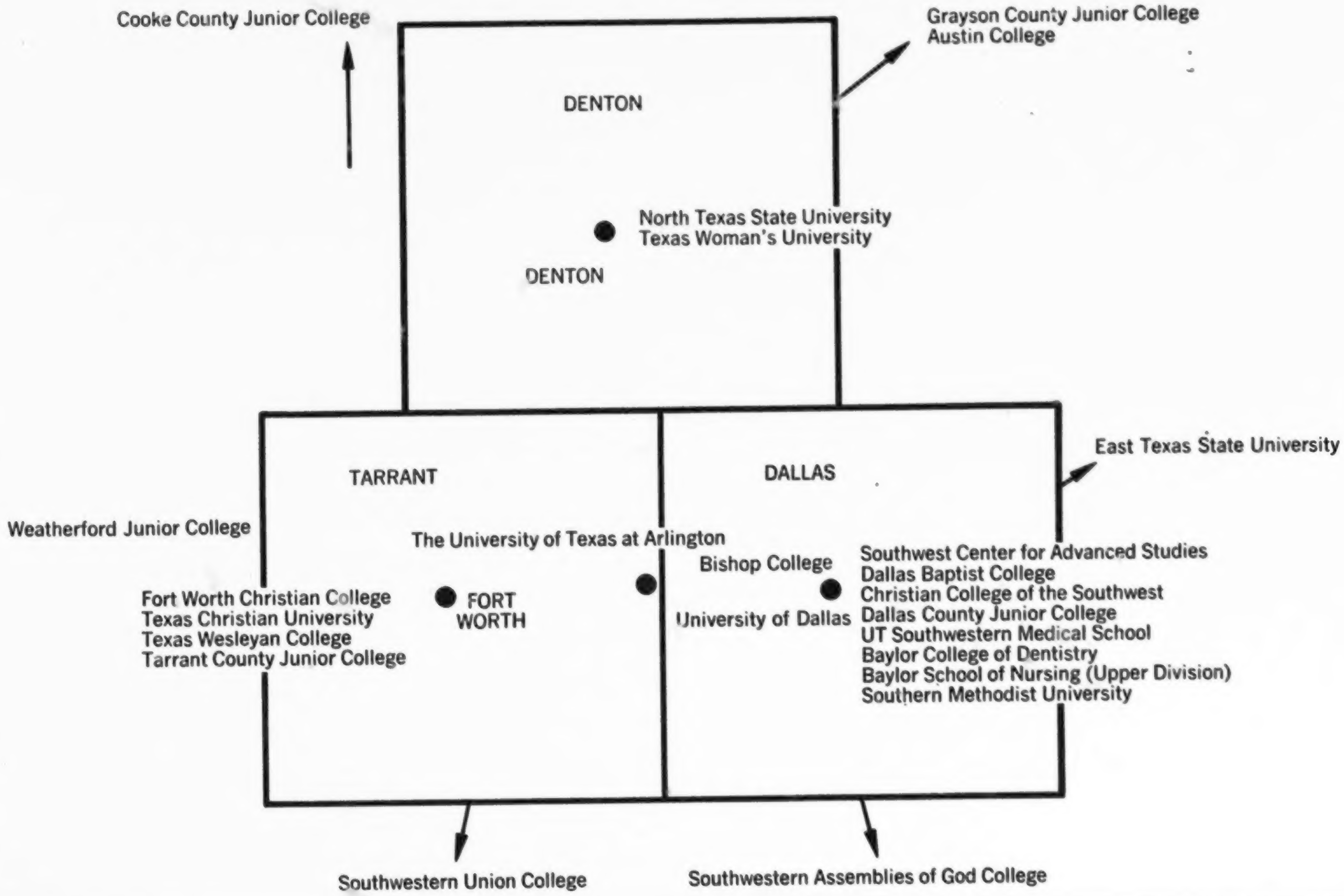
These estimates are based on the assumption that the public junior college systems in Dallas and Tarrant Counties will continue to develop and that the private junior colleges will feel varying degrees of impact from this, going out of business under the unfavorable conditions described and becoming four-year institutions under more favorable circumstances. It is inevitable, too, that the public junior colleges will continue to have a significant effect on the independent senior colleges. To date, as has been pointed out, this effect has been one of decreasing the number of entering freshmen. It remains to be seen whether transfers from the public junior colleges will augment enrollments of the private senior colleges at the upper-division level.

Projections of college-age population for Dallas County in 1970 are more than 182,000, and public junior college enrollment in the county is projected at 20,561 full-time student equivalents in 1971–72; so it can be said that roughly 11 percent of the total college-age population will be attending public junior colleges by that time. By about 1985, the figure will have risen to 14 percent.

Based on similar calculations, it can be assumed that about 14 percent of the total college-age population in Tarrant County will be enrolled in community junior colleges by 1970 and that the figure will have risen to approximately 16 percent in 1985. Currently, percentage of the college-age population enrolled in the local community junior colleges is about 4 percent in Dallas County and 5 percent in Tarrant County. As proposed new campuses are opened in both counties, percentages will unquestionably increase. The impact of these developments on existing institutions will depend, in part, upon the increase in the college-going rate—the number of students who attend the junior colleges who would not otherwise have enrolled in institutions of higher education. Other factors, such as the cost gap in terms of tuition and per-student expenses, will also influence the course of enrollment trends.

Graduate education is another area with numerous unmet needs, uncertainties, and possibilities for productive and economical cooperation between public and private sectors. Six institutions in the area offer

MAP B
INSTITUTIONS OF HIGHER EDUCATION IN THE DALLAS-FORT WORTH AREA


Cooke County Junior College
Grayson County Junior College
Austin College
DENTON
North Texas State University
Texas Woman's University
DENTON
East Texas State University
TARRANT
DALLAS
Weatherford Junior College
The University of Texas at Arlington
Bishop College
Southwest Center for Advanced Studies
Dallas Baptist College
Christian College of the Southwest
Dallas County Junior College
UT Southwestern Medical School
Baylor College of Dentistry
Baylor School of Nursing (Upper Division)
Southern Methodist University
Fort Worth Christian College
Texas Christian University
Texas Wesleyan College
Tarrant County Junior College
FORT WORTH
University of Dallas
Southwestern Union College
Southwestern Assemblies of God College

graduate work—Southern Methodist University, Texas Christian University, North Texas State University, The University of Texas at Arlington, Texas Woman's University, and the University of Dallas. The University of Texas at Arlington offers graduate work only at the master's degree level, and the graduate program at the University of Dallas is in the developmental stages.

Among the six institutions, there are currently 169 programs leading to master's degrees[20] and 37 programs leading to doctorates; yet there remain gaps and deficiencies in the provision of graduate and professional education to meet the needs of the area. One of the major ones, concerned with engineering and applied science, is discussed here, along with some of the available resources which might be used in solving the problem.

The graduate program of Southern Methodist University's Institute of Technology has already been described, as has its developing program to meet the graduate engineering and applied science education needs of the area with heavy reliance on courses offered by the closed-circuit, talk-back television operated by The Association for Graduate Education and Research.

The SMU Institute of Technology has proposed a new approach to a regional education system, with emphasis on engineering and science, through a Metro Tech plan which would capitalize upon TAGER and the TAGER television system to make such education more accessible. It would assume responsibility for engineering and applied science education in North Texas at both undergraduate and graduate levels, as follows:

Undergraduate Engineering. Pre-engineering (the first two years) would be offered through all TAGER schools, area industry, East Texas State University, and the Dallas and Tarrant County Junior Colleges through the television network. State support would be sought to help finance this metropolitan area activity. For the junior and senior years of the program, students would transfer to Southern Methodist University or to one of the public senior colleges offering engineering.

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[20] A number of these are different degree programs in the same subject area at an institution, which may offer an M.A. or an M.S. in chemistry, for example.

Junior and senior courses would also be offered via TAGER television to area industry for cooperating students (from any school) on work assignments and part-time students employed in industry and unable to attend college full time. Laboratory courses would be offered on campus in the early morning or late afternoon. Through a new technique involving video tape plus talk-back, the pre-engineering program might be offered on more distant campuses, including those of Baylor, Hardin-Simmons, Abilene Christian College, and Tyler Junior College. Thus undergraduate needs in this field could be met at a very low cost.

Graduate Engineering. It is estimated that about 85 percent of the present area need for part-time graduate education in engineering is already being met by Southern Methodist University through the TAGER TV system. With some state funds to augment offerings in aeronautical and chemical engineering, most of the remaining needs could be met. Offerings might also be extended to additional industries out of the immediate area, such as General Electric in Tyler and Rocketdyne at McGregor. In the resident graduate program, the SMU Institute of Technology can produce up to 30 Ph.D.'s per year in its present available space, although the present faculty has the potential to produce twice this number. With about $2.5 million in funds from the state to construct a 50,000-square-foot facility, the Institute would be in a position to serve the doctoral degree engineering needs of the area until the 1980's.

Some of the structural devices by which this program, and similar ones in other fields, might be initiated and operated on a cooperative or contractual basis are already in existence.

TAGER is probably the best known and most extensive of the several projects involving cooperation and consortia among institutions of higher education in the area—and in Texas. Its membership is composed of Southern Methodist University, Texas Christian University, the University of Dallas, Bishop College, Texas Wesleyan College, Austin College in Sherman, and the Southwest Center for Advanced Studies. TAGER was set up as a federation or consortium to enable these institutions to work together in the whole spectrum of cooperative higher education. It has been especially effective in providing graduate education at the doctoral and postdoctoral levels in such expensive fields as science, engineering, and mathematics. A closed-circuit television network connects the participating institutions as well as a number of industries in the area, thus solving the problem of geographical separation and providing, in effect, an extension of the classroom. This allows member institutions to offer more courses, while at the same time reducing teaching loads, and it also serves the highly specialized scientific and engineering-oriented industry of the area. The TAGER TV system now reaches into the plants of the following companies: Texas Instruments (Dallas), Collins Radio (Dallas), General Dynamics (Fort Worth), and Ling-Temco-Vought (Greenville, Grand Prairie, and Garland). In September, 1968, Texas Instruments (Sherman), Geotech-Teledyne (Garland), and possibly Bell Helicopter (Fort Worth) will connect. In addition, the television system is the basis for joint TCU-SMU and SMU-Austin College graduate programs.

TAGER is already an operational example of the regional federation of independent colleges suggested in Chapter III of this report.

There is also already in existence in the Dallas-Fort Worth area the Inter-University Council, composed of both independent and public institutions. Members are Southern Methodist University, Texas Christian University, North Texas State University, and The University of Texas Southwestern Medical School. Cooperating but non-voting members are the University of Dallas, Bishop College, Texas Wesleyan College, The University of Texas at Arlington, and Wadley Institute. This organization has, among other things, sponsored the extension of library resources and provided the structure for consultation on other cooperative programs. Because of the combination of public and private institutions in its membership, it has certain limitations in terms of being able to move expeditiously. With the private institutions excluded, there is a possibility that the Inter-University Council could become a state consortium or federation analogous to TAGER in the private sector for the purpose of forming a compact or entering into contracts and other cooperative arrangements. On the other hand, retaining the dual nature of its membership, it might become the vehicle for an inter-system compact to serve as a planning and contracting entity for higher education in the area in much the same way that a council of governments serves local units of government in a region. The approval of new cooperative programs between or among area institutions of higher education might be among its functions.

In addition to the more traditionally-structured institutions of higher education, the Dallas-Fort Worth area has such additional assets as the Southwest Center for Advanced Studies. This facility has about $10 million in assets and annual research contracts in excess of $5 million. It is currently involved in (1) basic research, (2) teaching programs through TAGER, and (3) postdoctoral instruction. It has great potential for future graduate and postgraduate work through contracts and other working relationships with the state. The provisions of its charter give it degree-granting authority, but this has not been exercised to date.

There are two obvious choices concerning the future of the Southwest Center for Advanced Studies:

1) It may remain in the independent sector and carry out the functions discussed through The Association for Graduate Education and Research (TAGER); or

2) It may become a part of the public higher education system, either as a member of a state consortium or federation in the area or as a part of The University of Texas System.

Among the major problems of the general regional approach to meeting educational needs are the absence of leadership, management structures, and political procedures adequately designed and sufficiently strong to cope with the situation. As far as the individual institution itself is concerned, this may present no problem; it may continue with its own activities and plans. When the concern is with regional and statewide problems, however, these voids assume great importance.

One very timely area in which interinstitutional problems and potentials are clearly demonstrable is that of information-program systems. The complex of computer operation, computer-based instruction, and information storage and retrieval—to name only a few aspects of such systems—is going to require tremendous amounts of money. Each institution is going to be faced with increasing demands for these facilities while, at the same time, costs of larger and newer computers are going to become more and more difficult, if not impossible, to meet. Yet regional computer systems are not only possible but are presently being developed. In fact, some phases of such a network are already operational in the Dallas-Fort Worth area. The potential for full development of this network presents a unique opportunity for providing national leadership. The seizing of such an opportunity will require initiative, structure, money, and, above all, a willingness to cooperate. If a cooperative approach is not taken, several times the amount of money will be required and, more important, the region and the state will find themselves followers instead of leaders, lagging behind the field in quality and in reputation.

The higher education resources and needs of each area of the state differ greatly; yet the general principles of a structure of cooperation and contracting between public and private sectors in the Dallas-Fort Worth region could be adapted to a variety of situations. The types of cooperative or contractual undertakings would be dependent on the characteristics of the area in terms of economic base, population, and existing institutions of higher education.

A wide variety of cooperative devices and consortia are in successful operation throughout the nation to share material resources and manpower in an attempt to meet growing needs, obligations, and opportunities in higher education. In some cases, such as that of the Claremont Colleges, smaller liberal arts colleges cluster about a larger central institution which provides graduate work, library, research facilities, and certain other services. In other cases, consortiums may involve institutions, both public and private, rather widely separated geographically. The Associated Colleges of the Midwest, for example, is composed of ten independent liberal arts colleges in Wisconsin, Minnesota, Iowa, and Illinois. It is administered from a central office in Chicago and provides member institutions with coordinated academic and service programs from which they may choose to meet their individual programs and needs. At the academic level, a periodical bank and other library services are provided, along with programs in science, the humanities, the arts, urban problems, teacher education, and foreign study. Some of the service functions are institutional research, communications and public relations, computer services, financial and endowment management, single admissions applications for all the colleges, an insurance program, joint collection of payments on National Defense Education Act loans, and distribution of administrative data.

Among other successful and effective consortia are those in the Kansas City, Great Lakes, and Dayton, Ohio, areas. In each case, the cooperative organizational device enables the member institutions to do, be, and accomplish more collectively than they could working individually.

In Texas, there is already some cooperative work between and among institutions of higher education, although much of it is limited in scope and objectives. In Houston, for example, there is considerable interrelation and cooperation in the medical and health fields, most of it involving both public and private institutions and facilities in the Texas Medical Center. Possibilities are also inherent in certain of the advanced graduate programs offered by Rice University and the University of Houston.

In San Antonio, with a large public junior college and four independent senior institutions, cooperative planning might enable the state to use upper-division capacity of the existing institutions rather than build new facilities to accommodate the full load.

Corpus Christi has a somewhat similar situation, with a large, well established public junior college and an emerging private senior institution.

In Abilene, where three independent liberal arts colleges are located, the crucial need would seem to be for junior college facilities, especially in terms of providing vocational and technical training.

Baylor is an independent university at the center of an area where two rapidly growing community junior colleges and a public technical institute have recently appeared on the educational scene.

Each region presents a unique situation and a different institutional mix; hence regional analysis and planning seem almost a prerequisite for overall statewide planning.

The Liaison Committee believes that regional situations, in their various aspects, offer the most promising and potentially rewarding opportunities for cooperation and contracting between the public and private sectors of higher education. TAGER, although it consists exclusively of independent institutions, demonstrates the workability and benefits of the principles involved. One of its chief values has been that it has encouraged the presidents of member institutions, month after month, to sit down, face one another, and discuss problems. It has created real communication and understanding in a climate of mutual trust. The same benefits can be achieved by other regional arrangements involving both the public and private sectors. The authorization and principles for such relationships should be incorporated into the basic structure and program of Texas higher education.

Special Purpose and Developing Institutions

One of the great strengths of the dual system of higher education lies in its diversity, both in types of institutions and in the programs they offer. The private colleges and universities are able to design and offer programs which serve the needs of a particular constituency and to structure the entire institution to meet the needs of its students or the sponsoring body. Any student who is interested and can qualify may enter the institution or the program, but he does so with the knowledge that he is in a specially designed and controlled situation.

Junior Colleges

One such group of special purpose institutions is composed of the independent junior colleges. They are free to operate purely academic programs or to incorporate any particular areas of instruction that may be in accord with the philosophy of the institution.

Sixteen independent junior colleges participated in this study. Eight are accredited by the Southern Association of Colleges and Schools; three additional ones are accredited by the Association of Texas Colleges and Universities; and five presently have no accreditation. In addition to these, five other independent junior colleges reported enrollments to the Coordinating Board, Texas College and University System, this year. Students in these institutions totaled fewer than 600, and none of them is accredited.

Combined 1967–68 enrollment of the 16 junior colleges which participated in the study was 10,295. The total educational and general budgets for these colleges were $6,859,947. Per-student educational and general expenditure was $666.

If these students had been in the public sector, the state would have, under existing formulas, appropriated $4,452,599 in state funds for their education. This is in addition to local funds which would have been required from the public junior college districts.

In this connection, a very definite distinction should be made between the public and private junior colleges. Most of the independent junior colleges have strictly academic orientations, while the community junior colleges, especially the newer ones, give emphasis to vocational and technical as well as academic training. The independent junior colleges, for the most part, serve special constituencies and exist for special purposes. In contrast to the public junior colleges, they do not always have open-door admissions policies. However, this does not mean that the private junior colleges are turning away students. Quite the contrary. Some of them, especially those which do not serve very special constituencies or perform highly specialized functions, are finding it more and more difficult to attract students. Partly for this reason and partly because of the almost exclusive academic orientations of the private junior colleges, three of them have already announced plans to become four-year institutions. Dallas Baptist College, for instance, will begin enrolling third-year students in September, 1968.

The future of South Texas Junior College in Houston, the largest in the private sector with a current headcount enrollment of 4,636, is uncertain, pending the results of the upcoming election to create a Harris County junior college district. If a community junior college system is established in the Houston area without any utilization of the resources of South Texas

Junior College, its future role will undoubtedly be drastically changed—or it may cease to exist.

Concordia College in Austin, Lon Morris College in Jacksonville, Southwestern Union College in Keene, and Southwestern Assemblies of God College in Waxahachie are presently serving a total of fewer than 2,000 students. Together, they project an enrollment of about 7,000 by 1985. These four institutions are among the well-established, church-related junior colleges which annually make a modest but significant contribution to higher education and which are planning to make a proportionately greater contribution in the future.

The two independent junior colleges which also have academies (Allen Academy in Bryan and Schreiner Institute in Kerrville) serve special constituencies. Among their purposes are the development of discipline and distinctive leadership. Although they presently serve about 500 junior college students and do not plan ever to serve more than 1,000, they are working to improve present programs and to meet needs which other institutions in the state do not or cannot serve.

Because of inadequate financial support, Christopher College of Corpus Christi and Our Lady of Perpetual Help College will close at the end of the 1968 summer session. Three other private junior colleges have indicated that they may have to close their doors within a short time.

Although relatively small in terms of total enrollments accommodated, the independent junior colleges are serving special constituencies and performing, for the most part, very specialized functions. They do, however, help to accomplish the total higher education task and to carry part of the enrollment load. They have a significant part in the total educational effort of the state, with a definite role and scope in each case.

As educational needs continue to grow, some private junior colleges will find new purposes and serve new or additional groups. Others will not change their present purposes, goals, or constituencies appreciably, but they will continue to serve specific and important functions in the total scheme of Texas higher education.

Developing Institutions

The private colleges in Texas whose enrollments are almost entirely composed of Negro students are certainly serving a special purpose in higher education. In fact, it is fair to say that the private predominantly Negro colleges are doing a remarkable job in that, on the one hand, they are striving to achieve and maintain standards of educational quality comparable to those of other institutions in the same accrediting associations and, at the same time, to teach in such a way as to overcome the deficiencies with which their students come to them.

Negro high school graduates who were at the tops of their classes have been eagerly recruited by integrated colleges and universities. Those with special talents in athletics or music, for instance, usually have several scholarship offers. In the comparatively rare instances in which the student's family has a better-than-average income, the Negro student usually chooses a government supported or independent university. The small, predominantly Negro colleges usually attract students whose family incomes are very low and whose scores on entrance examinations are well below the average for all entering freshmen in Texas.

It must be recognized, however, that the compensatory education function is time-consuming, difficult, and requires great skill. The state should take particular note of this task and make necessary arrangements for the predominantly Negro colleges to carry out this special purpose, along with their other academic functions and programs. Thus there seems to be a most significant role in higher education for the predominantly Negro colleges, at least for some time to come.

Recently, six of these colleges have formed the Association of Developing Colleges. Members are Bishop College, Dallas; Huston-Tillotson College, Austin; Jarvis Christian College, Hawkins; Paul Quinn College, Waco; Texas College, Tyler; and Wiley College, Marshall. The developing colleges have been assisted in upgrading programs and curricula by a number of the other independent institutions. Texas Christian University has close working relationships with Jarvis Christian College and provides a great deal of assistance and cooperation. Southern Methodist University and Austin College have worked with Bishop College in several programs, and Southern Methodist University has developed cooperative projects with Texas College designed to improve and strengthen the latter institution academically.

Contractual arrangements could be made through the Association of Developing Colleges to aid in the compensatory work which must be done so that students who come to institutions of higher education with academic deficiencies may be placed in specially designed programs which will enable them to undertake regular college work. Such a program contracted through the association and operated cooperatively on all six campuses would enable these institutions to continue and strengthen their unique contributions to higher education in the state.

Some of the other independent institutions in Texas should probably be considered for development as special purpose institutions of one kind or another before they are written off. With existing plants and facilities, and often with faculties and staffs familiar with and able to deal with special problems, they constitute available and valuable resources which might be effectively and economically utilized within the broad spectrum of Texas higher education.

CHAPTER V

LEGAL CONSIDERATIONS

If the State of Texas and the independent sector of higher education are to become effective partners, new and different relationships between these two entities will be required. A number of strong relationships already exist. For example, the state charters all independent colleges and universities as non-profit corporations. Because of this status, there are corporate and legal responsibilities for which their trustees, governing boards, and administrators must be accountable.

There are also state controls and influences in many of the programs within the private sector. For example, the Texas Education Agency approves teacher training programs in all institutions of higher education, public and private, and administers the program of teacher certification for graduates of these programs. Graduates of all law schools, whether under public or private sponsorship, must take the State Bar Examination and be licensed to practice in the state. Similarly, doctors, dentists, nurses, architects, and members of many other professions must be licensed or registered by the state, and the educational programs which prepare such persons must take the requirements and standards for such licensing and registration into account.

In the proposed new relationships, both the state and the independent sector should strive for quality in all of higher education. The Liaison Committee believes that regional accreditation should serve as the minimum requirement for any participation in a general state program. It is an already existing and well-accepted "floor of quality" which is universally accepted and recognized across the nation.

The ideas and concepts of federations, compacts, and other cooperative devices at the local level have already been discussed, as have some of the specific possibilities for contracting between the state and the independent sector. Legal structures and guidelines for these devices and for relationships between and among them, as well as for negotiations and contracts with the state, will need to be carefully thought out and developed. Quality standards, contract terms, and operational details would be subjects for mutual determination and agreement.

Certainly, participation in the total state system of higher education carries with it concomitant responsibility and accountability—not merely for the public funds which may be involved but also in terms of quality and performance. This accountability is in no sense synonomous with control. Autonomy need not be incompatible with accountability, and accountability does not presuppose state determination of the goals, policies, and programs of the institutions concerned. Although the Liaison Committee endorses regional accreditation as a minimum standard, it also recognizes that quality and excellence are not limited to programs concerned with academic superiority and high intellectual achievement. Excellence can also be measured in terms of how well an institution is accomplishing its stated goals and purposes—whether these be compensatory education for the economically and culturally deprived or postdoctoral education for nuclear physicists. It may well be that programs for new and developing institutions, such as those now provided by the private predominantly Negro colleges, will be required to expand the educational capacity of the state, especially if the Fifth Freedom concept of universal opportunity for higher education is to be adopted and implemented.

Because of the historic sponsorship of most of the independent institutions of higher education in Texas by churches and religious groups, any discussion of private sector participation in the total state system of higher education—particularly financial participation—requires consideration of constitutional provisions as they relate to the church-state issue.

Based on considerable analysis of the question, the Liaison Committee believes that no real legal problems exist except in a few isolated instances. It recognizes that there is such a thing as a sectarian college which would not qualify for participation in programs with the state and which would probably not wish to do so even if it were eligible, and it strongly believes that there is a place for such colleges in the dual system. On the other hand, the current independent nature of the educational programs in most of the private colleges and universities and the composition of their governing boards seems to provide a definite distinction and separation between the function of higher education and the functions of the church in terms of worship, evangelism, and other concerns. The Committee believes there is no automatic connection between the presence or absence of religious affiliation or relationship and those qualities which make a college or university a major instrument of public service. It will be helpful, however, to explore briefly some of the constitutional background, both federal and state, as it relates to this issue.

The United States Constitution contains no mention of education. The First Amendment provides, among other things, that "the Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . ." These are known as the "no establishment clause" and the "free exercise clause," respectively, and are applicable by the explicit terms of the First Amendment only to the Congress. The Supreme Court, however, has incorporated them within the meaning of the word "liberty" of the due process clause of the Fourteenth Amendment, which prohibits the states from depriving "any person of life, liberty, or property, without due process of law . . ." Thus the State of Texas is bound by the Fourteenth Amendment and hence to the no-establishment principle under the federal Constitution. There are a number of United States Supreme Court decisions concerning aid to religiously affiliated institutions of higher education and in the related area of separation of church and state.[21] It should be noted that none of these is directly on the point of federal or state aid to denominationally-related colleges and universities. Federal legislation has made no real distinction between public and private institutions of higher education. It has skirted the church-state issue by providing funds for designated programs, by buying needed services such as research, and by providing student aid in accordance with the student benefit theory upheld by the United States Supreme Court.

In the recent Maryland case, *Horace Mann League of the United States* v. *Board of Public Works* (242 Md. 645, 220 A. 2d 51, 1966), a state court reviewed state facilities grants to four independent denominational colleges and ruled that such funds could not be made available to what it termed a *legally* sectarian college—one wherein the religious influence permeates the institution or where the college has a distinctly religious flavor. On the other hand, grants to certain church-related colleges which did not have sectarian requirements for students and faculty were upheld. The case was appealed to the United States Supreme Court, which failed to grant certiorari; hence there is no decision from that body to indicate the correctness of the state court's reasoning. It seems clear that government, state or federal, can give some aid to denominationally affiliated institutions of higher education without violating the federal Constitution. Although no clear-cut test of the validity of such aid has yet emerged, it seems quite likely that a United States Supreme Court decision in a New York case will open the way for a challenge on this issue. In an opinion handed down on June 10, 1968, the court granted a group of New Yorkers the right to test in court their claim that federal aid to Catholic parochial school children violates the Constitution. The court thus ignored a 1923 ruling which has blocked taxpayer suits against federal spending programs. The recent ruling has national importance because it breathes new life into a suit against provisions of the Federal Elementary and Secondary School Act of 1965 which provides funds for parochial school instruction and supplies. Indirectly, it also has important implications for federal aid programs which benefit private higher education. It is interesting that in an opinion handed down on the same day, the Supreme Court upheld the constitutionality of a New York state law requiring public school officials to loan textbooks to parochial and other private school pupils. The decision includes this language:

> We cannot agree either that all teaching in a sectarian school is religious or that the processes of secular and religious training are so intertwined that secular textbooks furnished to students by the public are in fact instrumental in the teaching of religion.

The latter ruling is in accord with a 1947 decision which upheld a New Jersey law authorizing reimbursement of parents for busing their children to parochial schools.

The Texas Constitution is more specific than the federal document on some of these points. The Bill of Rights, Article I, Section 7, contains a prohibition against the appropriation of funds "for the benefit of any sect, or religious society, theological or religious seminary." The only way in which the inclusion of any type of education is implied is in the use of the term "theological or religious seminary." There are also prohibitions against the appropriation of public funds for private purposes, and Article VII, Section 5, prohibits use or appropriation of the Permanent School Fund for the support of any sectarian school.

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[21] *Everson* v. *Board of Education,* 330 U.S. 1 (1947); *Cochran* v. *Louisiana State Board of Education,* 281 U.S. 370 (1930); *Abington School District* v. *Schempp,* 374 U.S. 203 (1963). Although not directly in point, the opinions in these cases enunciate principles which are relevant to the issues under discussion.

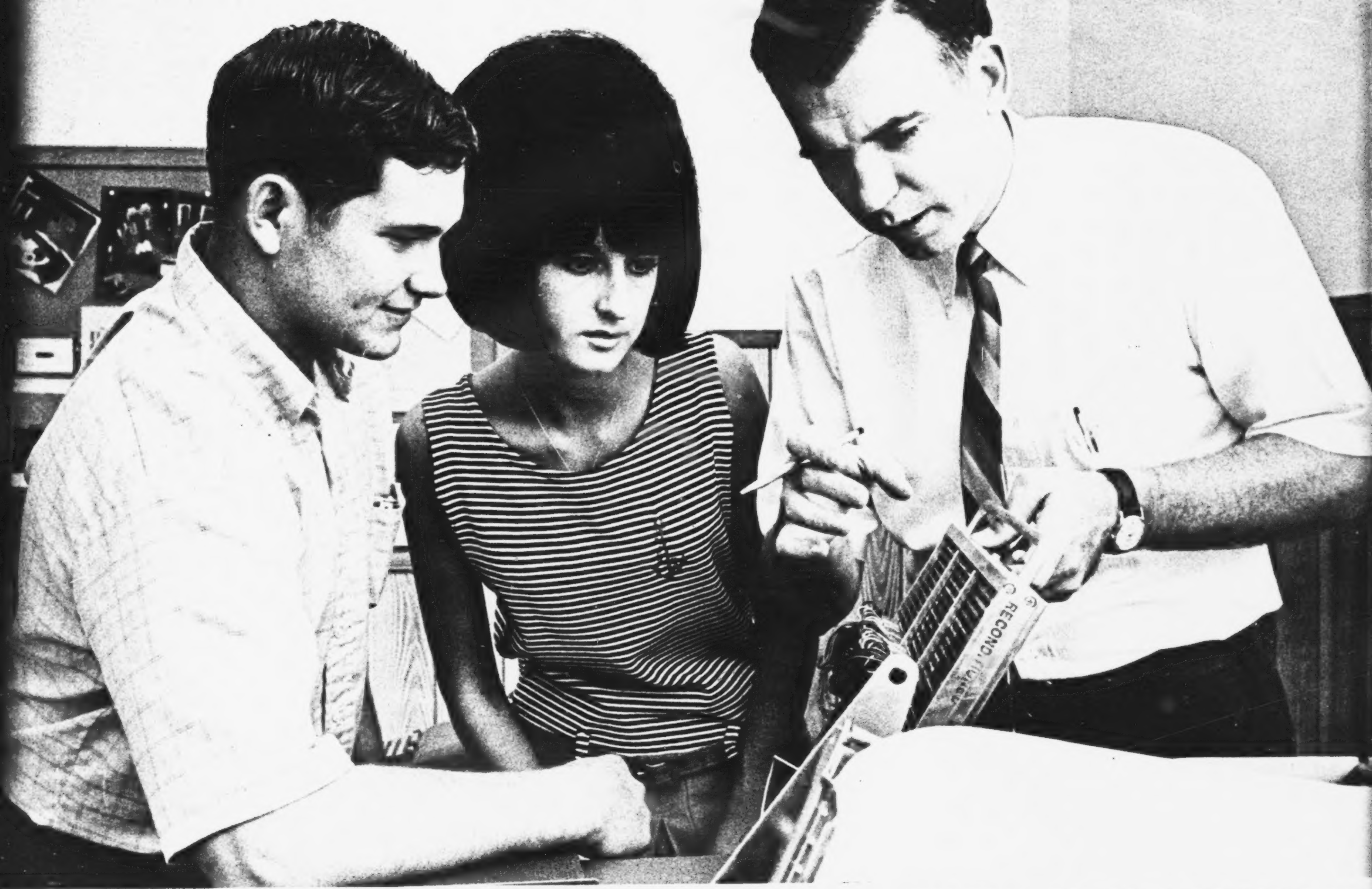
Hence the key questions might be whether higher education is a public purpose and what constitutes a "sectarian school." In *Church* v. *Bullock* (104 Tex. 1. 109 SW 115, 1908), the court defined sect as "a body of persons distinguished by particularities of faith and practice from other bodies and adhering to the same general system." An educational institution which admits persons from all creeds and faiths could hardly be described as sectarian under this definition.

The restrictive provisions of the Texas Constitution have received little attention by the courts, but in the past Texas Attorneys General have issued opinions indicating a rather rigid interpretation of such provisions. Several of these have recently been overruled, indicating a new direction. Two 1966 opinions can be cited as having probable relevance. One (#C-644) held that a state agency (the Governor's Committee on Aging) could contract with church-operated or church-related institutions to conduct training classes for field workers for the development of programs to benefit the aging without violating Article I, Section 7, of the Constitution. In the other opinion (#C-719), the Attorney General ruled that a state agency (the Texas Education Agency) might constitutionally pay tuition for handicapped persons to attend denominational schools for vocational rehabilitation services. Furthermore, it was specified that the tuition might be paid at the time of registration rather than as reimbursement. The following are pertinent quotations from the two opinions:

> If a valid public purpose is being served, in this case, the retraining of handicapped persons, and the state is expending money for services rendered, the character of the private agency rendering the service does not control the expenditure.
>
> * * *
>
> It is well settled that a private agency may be utilized as the pipeline through which a public expenditure is made, the test being not who receives the money, but the character of the use for which it is expended.

Thus there seems to be no legal barrier in Texas which would militate against some kind of state financial participation with the private sector of higher education and/or its students. The regional and contracting arrangements which have been suggested would have the merit of avoiding a direct confrontation on the church-state issue, in any case.

In view of the existing decisions and the opinions interpreting Texas constitutional provisions, the Liaison Committee does not believe a constitutional problem is involved. Should it be determined that such a problem exists, an amendment to the constitution is recommended on the theory that the Texas Constitution should not be more restrictive than the federal Constitution. Further, if universal opportunity for higher education is accepted as a new right and freedom, it might well be that this should be guaranteed in the proposed revision of the state Constitution.



CHAPTER VI

THE DUAL SYSTEM OF HIGHER EDUCATION—PERSISTENCE AND PROBLEMS

If it is decided that as a matter of policy it is desirable to have a monolithic government-sponsored higher education system, then there is little more to say except that most of the private colleges and universities should have as painless a demise as possible and that the few strong ones which can survive in a virtual monopoly are deserving of utmost respect.

If it is decided that the task is a very large one; that the state needs to use all the resources it has, including the private sector; and that the independent or private sector has values in its own right to contribute to the total higher education system, then attention must be turned to developing policies and programs to solve educational problems and to create a favorable climate in which the independent sector can make its contribution. Indeed, in light of the problems and adverse trends which have already been discussed in this report, the Liaison Committee believes there must be positive action to correct these trends, gaps, and difficulties so that it will be possible for the independent colleges to contribute their share toward meeting the higher education needs of Texas. "Positive action" is specified because by mere inaction and continuing on its present course, the state can create the potential monolithic educational situation described and deplored in this report.

It seems very clear that considerably more of our resources must be allocated to higher education—both public and private. This judgment must be made against the background of the real choices of our society and with an understanding of what such an additional investment in the capital and brainpower of our state and nation really means. Such decisions must be made not only at the federal, state, and local government levels but also by private philanthropy and by the student and his parents who are able to pay a greater share of the cost of education. There must be a new vision of how all these sources of funds may be used together with maximum effect to achieve educational goals.

The Liaison Committee believes that a major untapped resource for increased financial support of higher education is the primary beneficiary—the student and his family. As a matter of principle, the student and his family should be expected to bear a reasonable share of the cost of higher education in both public and private institutions, with ability to pay the major criterion and with ample provision for the student who cannot afford to pay. Many students who are receiving the benefits of higher education are well able to pay for them; yet they are not called upon to do so in any substantial way. The state cannot continue to ignore this obvious source if it is to secure the necessary additional money for the higher education enterprise. There are several techniques which might be used to implement this principle without denying any student the opportunity for higher education, and they deserve careful consideration and study.

Another resource for meeting educational problems can come from within the educational establishment itself. A new technology of education is being developed to deal with the new dimensions of the educational task. There are cooperative arrangements, federations, and networks for sharing human resources, facilities, and equipment. There are increasing opportunities for institutional research and program development as well as the possibilities offered by associations and project groups. In all these devices, however, there are the problems posed by the inevitable resistance of faculty and the jealous guarding of institutional sovereignty.

Although these resources are available to apply to the solution of the problems of higher education, we are in danger of lacking the leadership, the understanding, and the political processes which will enable us to make the most effective use of them, both in terms of the higher education establishment and of our total society. It is precisely here that persistent effort is absolutely essential on the part of college and university leadership, and particularly on the part of the Coordinating Board, the Independent Colleges and Universities of Texas, Inc., the Association of Texas Colleges and Universities, and other such groups. Without this persistent effort and bold innovation to find new answers, the dual system of higher education cannot be preserved and made vital enough to meet the needs and opportunities of Texas.

Many of the opportunities and choices which concern creation of the necessary climate for full utilization of higher education resources can be found in terms of specific programs of governmental support for higher education.

Programs of Aid to Students and Institutions

Two basic and non-exclusive approaches exist for the support of higher education by the state or federal government:

1) Student support, or what could be called "consumer subsidy."

2) Institutional support, or "producer subsidy."

Most persons who have studied the problems and challenges of higher education state that because the field and the needs are so wide and varied, no single program of assistance can be satisfactory. Rather, what is called for is a battery of programs, with each designed to accomplish a specific function.

Proponents of aid to students believe that such aid maximizes educational opportunity, increases educational and economic efficiency, and helps protect the professional integrity of institutions of higher education. Miller Upton, president of Beloit College and one of the chief proponents of the aid-to-students approach, phrases the argument in this way:

> Public policy for the financing of higher education should seek ideally to accomplish the following objectives:
>
> 1) Maximize educational opportunity, i.e., make higher education available to all qualified individuals without reference to constraints of cultural background, religious or racial heritage, social position or economic condition.
>
> 2) Protect the professional integrity of the institutions of higher learning, i.e., make sure that the decision-making authority rests with the professional educators appropriately selected for the task.
>
> 3) Maximize educational efficiency, i.e., develop that system and process which assure the most effective learning on the part of the individual student.
>
> 4) Maximize economic efficiency, i.e., provide the service in a manner that gets most value out of each dollar invested. In this context particularly it is crucial that value be recognized as the ratio of quality (as established in #3 above) to price paid.
>
> When all of these objectives are considered, it seems clear to me that a governmental policy of making educational grants to the individual student for use wherever he chooses (provided the institution is appropriately accredited) is far superior to sponsoring government schools with little or no tuition.
>
> Let me propose a model approach by which my subsequent reasoning can be checked. On the assumption that the individual is a national resource (not government resource), the federal government is the agency which should provide for maximum educational opportunity. To do so it will make grants to the individual student for use at any institution in the country which can serve the particular individual best. The grant will be sufficient to cover the full cost of education on an average basis by level of educational program; it would not be related to the particular institution's cost. The institutions themselves would be established and operated by state governments, churches, or private groups of citizens. In addition to providing the capital investment in facilities, these separate sponsoring groups could also have separate means for subsidizing the individual student in order to cover living costs where necessary or make up the difference between the federal government grant and the particular institution's total cost of education.
>
> Such an arrangement would be more effective in maximizing educational opportunity for several reasons. The individual who knew he had access to an educational grant would be more likely to take advantage of it than if he knows that the only way he can have his education subsidized is to go to a government school. Since family and cultural constraints are one of the major reasons why qualified individuals do not continue with higher education, this is a very important consideration. Also, if all individuals are free to choose the institution which serves them best, there is the probability of better matching of offering and need.
>
> We do not equalize educational opportunity when we force particular individuals to go to particular government schools in order to secure public subsidy. The difference between subsidizing the individual directly and providing low tuition government schools, in other words, is one of degree and not of kind. Both systems are committed to equalizing educational opportunity, but the one does it more fully and effectively than the other.

Upton concludes with this argument for providing financial aid to students rather than to institutions:

> Since learning is an individualized process, the measure of educational efficiency must be made in terms of the amount of learning that is acquired among all the students involved.
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> It is not a matter of how many students are put through the system but rather how much learning is acquired by each individual student in the total group. A financing system (1) which encourages the individual consumer (the student) to be a critic of what he is getting, (2) which supports the existence of a multiplicity of professional centers of initiative, and (3) which encourages vigorous competition among the producers of the service for improved performance, will certainly produce greater educational efficiency than one which doesn't do these things. Subsidizing the individual student does these things much more directly and effectively than does subsidizing the institution.

If we turn to the practical experience of other states, we find two general types of student aid programs—scholarship grants and loans. The following are illustrative examples of the various student aid programs in operation throughout the United States:

Competitive Scholarships. As the name implies, these are awarded on the basis of demonstrated superior academic ability or promise and financial need. New York, California, and Illinois have outstanding competitive scholarship programs. The scholarships usually have maximum limits, such as the $1,500 per year in California, and are computed on the basis of tuition costs and other fixed expenses at the institution of the student's choice. Most states prohibit the use of such scholarships in institutions outside the state of residence; however, Massachusetts, New Jersey, Pennsylvania, Rhode Island, and Vermont are notable exceptions.

The costs of such programs vary widely among the sponsoring states. In 1965–66, California made 5,120 awards to students attending 91 colleges at a total cost of $3,681,757. The average award was $719. Illinois spent approximately $15 million for competitive scholarships and a similar amount for grants on the basis of need. The figures for most states fall far below these, with the exception of New York, where in 1965–66 73,000 students received a total of $31 million in Regents Scholarships.

Since most scholarship programs are competitive, they are designed primarily to encourage students of exceptional or above-average ability to attend either public or private institutions of their choice.

Tuition Equalization or Exemption. Programs of this type are in operation in New Jersey and Wisconsin. Texas provides tuition exemptions for certain students attending the public colleges and universities (i.e. the blind, the deaf, children of firemen and peace officers killed or disabled in the line of duty, and students from low-income families eligible under the Connally-Carrillo Act). These programs do not, of course, benefit students choosing to attend the independent institutions and thus, in a sense, force those eligible for such benefits into the public institutions. Many educational administrators feel that these types of state programs impose hardships on the individual institutions because they simply add the student without providing funds to cover his costs. Some state programs attempt to equalize tuition to cover the gap between public and private college costs to students.

Educational Development or Incentive Awards. These awards are made to students who plan to enter college and complete a course of study leading to a degree or who are currently enrolled full-time in an approved college or university. They are not competitive in nature but are designed to encourage students to enroll in college and remain there for at least a bachelor's degree.

New York has taken the lead in this type of program, and a study committee in that state is proposing revisions so that it will ultimately provide direct financial assistance toward meeting the full cost of attendance at any institution in the state, public or private, approved by the New York Board of Regents. If study recommendations are carried out, it will be the basic student financial aid program in the state. Illinois has such a program which provides up to $1,200 per year on the basis of need only. The so-called Higher Education Development Grant (HEDG) proposal recommended to the Coordinating Board in Texas would provide such assistance up to a maximum of $425 a year. Such grants would be made in a maximum amount of no more than 25 percent of the total weighted average student expense budget ($425 for 1967) annually toward meeting the residual financial needs of students who have provided a minimum of $825 in self-help from all sources—summer earnings, long-term loans, and term-time employment.

The following advantages of the Texas HEDG proposal have been listed:

1) It would help students help themselves by making available higher education to students who could not otherwise afford it.
2) It would not relieve parents of the obligation to continue to support their children while the children are in college.
3) It would not relieve students of the obligation to contribute materially to their own support while in college.
4) It would not replace or reduce any of the present programs or sources of student aid and assumes that additional funds from such sources will help to meet deficits by an increase in loan funds and job opportunities for students.
5) It will serve only those students who have residual financial need—for whom need still exists after all other aid funds in reasonable amounts have been utilized.
6) It would be available to all students who are capable of doing satisfactory college-level work, rather than just to those who can achieve at the superior level.

Awards for Culturally and Economically Disadvantaged. Many states are beginning to have significant programs designed to help the disadvantaged student. The federal government has been active in this field through the Economic Opportunity Grant Program and the Federal Work-Study Program. There is little doubt that there will be an increasing number of programs of this nature in nearly all states. Almost all states providing loans and grants to students require that the need for assistance be demonstrated.

Graduate and Professional Fellowships. Many states have special grant programs for students enrolling in specified academic programs, and the most significant programs of this kind have been federal programs. Many of them not only have a subsidy for the student but also for the institution to help carry the total cost of the graduate program. A current program in Florida supports students at the state medical school to the extent of $4.500 per year. New York has grants for those who pursue graduate work in arts, sciences, engineering, social science. and international affairs.

Individual colleges and universities in Texas annually provide significant numbers of fellowships and grants, particularly with the assistance of federal funds.

Such aid to graduate and professional students not only helps to meet the state's manpower needs but also may serve to attract able graduate students from out of state. California has been effective in this type of "reverse brain drain," although it does not have a separate program, as suggested here. Such aid may become important in Texas with the increased nonresident tuition rates at the public institutions.

Loans. A number of states as well as the federal government have guaranteed loan programs for students. In some states these are general programs and in others such loans are available to students in specific fields, such as teacher education.

Texas provides assistance to students in public and private institutions of higher education. both junior and senior colleges. through the Texas Opportunity Loan Plan. which became effective in September, 1966. The constitutional amendment which authorized the program provided for the sale of $85 million in bonds to finance it. Also in September. 1966. the Coordinating Board. which administers the program. was approved by the United States Office of Education as a lender under Title IV-B of the Higher Education Act of 1965. As a result. Texas Opportunity Plan Loans are now subject to a federal interest subsidy. The federal government pays the full 6 percent interest charges on loans to a qualified student as long as he is enrolled for at least one-half of the normal academic workload in an institution of higher education. Once the student begins repayment of his loan, the federal government pays half the interest charges.

Reports for 1967–68 indicate that 3,163 students enrolled in the Texas independent institutions of higher education are benefiting from these loans in the amount of almost $2.5 million.

Some of the more interesting program proposals for financing higher education deal with loans of various kinds. One is the "Educational Opportunity Bank" advocated by a White House panel, which advocates loans to finance a student's education on a cost basis. He would repay it over 30 or 40 years by small deductions from his earnings. Also a part of this program would be the provision of Educational Opportunity Grants for students of parents with low incomes.

A completely different approach which would achieve a similar result is the negative income tax or guaranteed annual income idea. If such a program were implemented covering young people in the 18–24 age group, the problems of financing higher education would be vastly simplified.

Although there is great opposition to many such ideas because they vary so widely from our traditional approaches to these issues and because some of them are contrary to concepts of parental and societal responsibility, they do offer real possibilities. particularly in view of the new dimensions of the public policy questions related to higher education.

Having explored programs of aid to students. let us turn now to programs of aid to institutions. One of the spokesmen against the student "full cost" tuition approach makes these arguments:

1) Such a system makes the professor the employee of the student rather than a servant of society.

2) It undermines the support of higher education because both alumni and the state would feel little reason to continue, much less increase. support.

3) The mere raising of costs would discourage many students. and especially the poor. from going to college. even though they could get financial assistance to do so.

To indicate the general approach to institutional grants and also to reflect considerable discussion of federal programs in this area which the state must take into account. the following statement by the Association of American Colleges is probably the most articulate available:

> The Association believes that the present pattern of federal spending for higher education through project grants should be supplemented by broad grants for instructional purposes to be expended at the discretion of the institution.
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> Accordingly, the Association suggests these guidelines for a federal program of institutional grants for support of instruction:
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> 1. Federal institutional grants should be made to colleges and universities as institutions of higher educa-

tion serving the general welfare. Such grants should be available without discrimination between public and private institutions.

2. Support should be available to all eligible institutions of higher education for expenditure at their discretion within the generally accepted definition of instructional services and departmental research.
3. In terms of purpose, institutional grants should support necessary quantitative expansion of higher education and should encourage, as well, qualitative improvement in instruction.
4. To be eligible for an instructional support grant, the institution should be regionally accredited.

Finally, the Association believes that federal institutional grants for the support of basic instruction offer the best prospect for sustaining and improving American colleges and universities. While we believe this to be true for both undergraduate and graduate levels of instruction, we believe it bears with special force and applicability upon the undergraduate college and its future.

Programs of aid to institutions of higher learning are as old as the United States. The federal government attempted to assist educational institutions as early as the passage of the Northwest Ordinance. The Morrill Act (land grant act) of Lincoln's administration was enacted to encourage establishment of colleges to provide training in agriculture and the mechanic arts. There have been numerous attempts to stimulate programs of direct aid to universities and colleges, both private and public.

The various states have also provided programs of direct assistance to institutions as well as administering federal funds made available for this purpose. As needs for financial help have increased in the private sector and other sources have been less able to meet the need, a number of states have established programs of institutional aid.

Institutional aid, both for capital and operating expenditures, may be offered to institutions of higher education for a variety of purposes:

1) To increase enrollment or graduates.
2) To encourage growth of particular fields of study and research (meet manpower needs).
3) To accomplish broad social purposes (aid students from lower socioeconomic levels or help with a variety of urban problems).
4) To improve programs of the highest quality in colleges and universities.
5) To assist marginal institutions as an investment of the state in higher educational systems which may be needed for substantial further expansion.

Programs of aid to institutions may be provided on a one-time or regular basis and may vary as to maximum limitations. The amount of aid may vary depending on its source—whether from dedicated revenue or general funds, for example. A welfare criterion may be built into the allocation of public funds for private institutions. The following types of institutional aid programs are operating in other states:

Facilities Grants. Each state which administers federal facilities grants has a committee which reviews proposals and makes recommendations regarding the use of such funds for construction. The Federal Programs and Facilities Planning and Development Division of the Coordinating Board staff renders this service in Texas.

New York created the State Dormitory Authority in 1944 and empowered it to construct, equip, and maintain facilities for student housing, academic purposes, libraries, laboratories, classrooms, or "any other structures essential, necessary or useful for instruction in the higher education program on the campuses of both public and private institutions located in the state."

In June, 1966, the Ohio Board of Regents adopted a master plan which recommended that the state "consider an arrangement to provide facility assistance to accredited privately sponsored colleges and universities through construction and leasing of new classroom, library, and laboratory buildings needed for expanding enrollments." The Ohio General Assembly in 1964 established by law the principle that buildings could be built by the state and leased to certain non-profit colleges and universities.

Contracts for Programs, Projects, and Services. In New York, the state contracted with Cornell University, a private institution, until 1949 to provide higher education in agriculture, industrial and labor relations, home economics, and veterinary medicine. Although now a part of the State University of New York, the units providing these programs are operated as integral parts of Cornell and administered by it. Another example of a contract program is that in public administration offered jointly by Syracuse and New York University. In addition, New York has established a Distinguished Professorship Program to endow chairs at ten centers of excellence in the state. Most of these have gone to independent institutions of higher education, including Fordham University. Funds are also being provided to several private medical schools to finance expanded facilities.

Through contract arrangements, Alabama supports undergraduate and graduate instruction in engineering, veterinary medicine, nursing, home economics, and agriculture at Tuskegee Institute. Annual expenditure on contracts for this purpose has averaged about $400,000. The Alabama Commission on the Arts is authorized to make grants to private institutions to encourage participation in the arts.

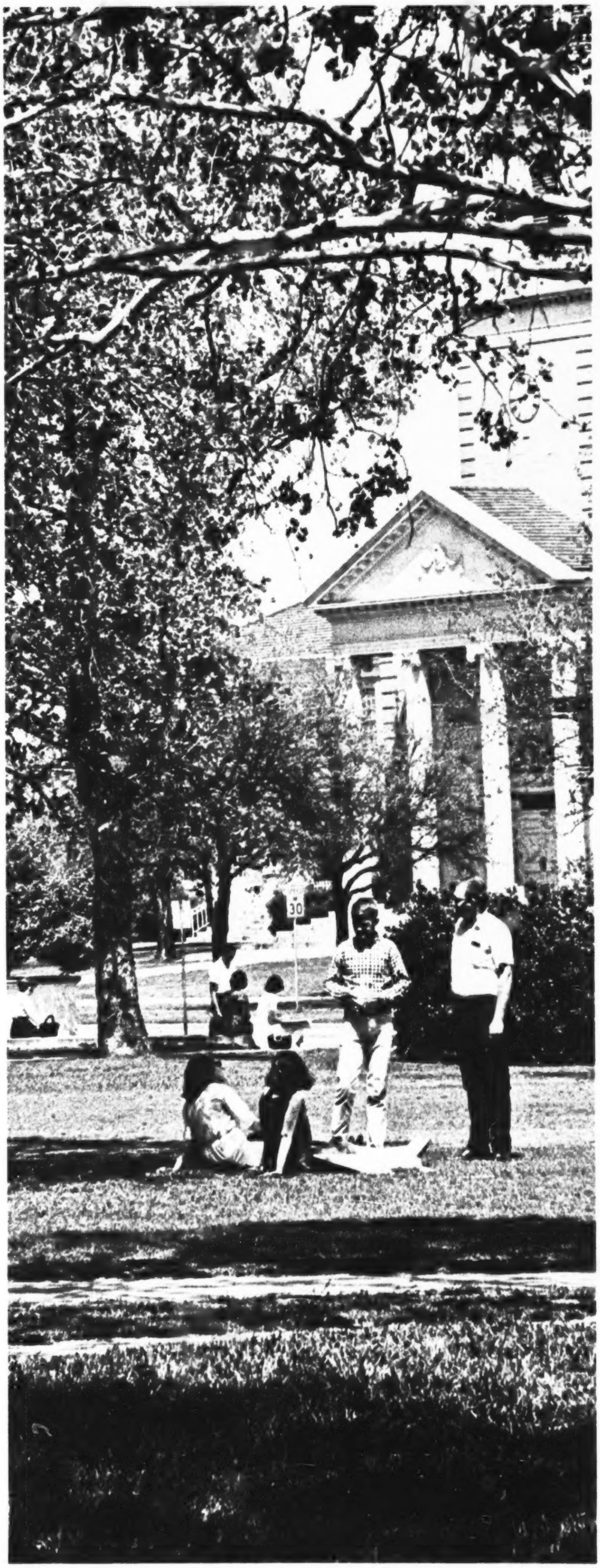
State support for research conducted at privately controlled institutions is provided in three Southern states—Florida, Maryland, and North Carolina. In addition, private institutions in five Southern states received $680,063 from state governments through Southern Regional Education Board contracts in 1964–65.

General Support Grants by Levels and by Numbers. Three states—Pennsylvania, Maryland, and Vermont—make regular annual legislative appropriations directly to private institutions. Pennsylvania appropriates funds for the University of Pennsylvania and Temple University, both of which are privately controlled. Alabama provides direct support for Marion Institute and Walker County Junior College.

Degree Production Grants. State assistance to independent institutions on the basis of degree production was authorized by the New York Legislature in the summer of 1968, although the program will not be funded until July 1, 1969. It will provide state aid for private colleges and universities on the basis of the number of degrees conferred annually, with differentials for appropriate levels and types approximately proportional to average differences in cost. The grants will be in the amount of $400 for each bachelor's and master's degree conferred and $2,400 for each doctorate. The State Board of Regents has authority to determine the "weight" of professional degrees. Degree recipients need not be residents of New York State. To be eligible for the grants, the non-public college or university must be incorporated by the Regents or the Legislature, must maintain one or more earned degree programs culminating in a baccalaureate or higher degree (junior colleges are not eligible), meet such standards of educational quality as are applicable to comparable public institutions, and be eligible for state aid under the provisions of the United States and New York Constitutions. Any institution which intends to apply for state aid apportionments must submit required reports to the Commissioner of Education concerning matters such as present and contemplated future programs, curricula and facilities of the institution, its financial affairs, its long-range plans and its progress in implementing them, and its administrative practices and procedures.

Some of the advantages of the plan are cited as follows:

1) It avoids the problem of defining student status



—part-time, degree-credit, or other classification.

2) It places emphasis on productivity as opposed to sheer numbers of students.
3) It provides incentive for improving retention rates.
4) It may well help to step up the completion rates for doctoral degrees.

Allan M. Cartter, chancellor of New York University, has estimated that the grants will contribute public funds equivalent to about 5 percent of the cost of bachelor's and master's degrees and about 10 percent of the cost of doctorates.

Higher Education Program Authorization

In light of the changing conditions and needs over the foreseeable future in Texas higher education, and in light of the unknown directions of federal programs, it is almost impossible to specify program techniques and determine the dollar amounts required to implement them. Therefore the Liaison Committee urges the Coordinating Board to develop a Master Plan Program Strategy which would give it a framework and a flexibility for dealing with new needs and problems as they arise. An important part of this Master Plan Program Strategy would be a Higher Education Program Authorization, an omnibus approach to the support of higher education in Texas, which would be developed by the Coordinating Board and recommended to the Legislature.

This omnibus approach would include a series of programs designed to deal with particular student problems and institutional problems for all Texas higher education. The Liaison Committee also urges that the design of each program be based upon policies directed to the solution of the specific problem under consideration and that all the program elements be consistent and interrelated to provide a balanced approach to the development of an effective, high-quality system of higher education in Texas.

It is not envisioned that the programs would all be implemented immediately. Authorization for them would exist, however, so that they could be used when and as needed and when funds are available. The omnibus authorization would assure an integrated program, rather than a piecemeal approach which might well leave gaps and unmet needs.

Such an approach would also involve the use of the year-to-year cooperative planning process to determine how many students would be accommodated and how much would be spent in each program. Thus the state and its coordinating agency would always be in control of the situation (with the Board recommending and the Legislature deciding and appropriating) in regard to the needs and availability of funds.

We believe that such a Higher Education Program Authorization should be in behalf of all education, with no distinction between the public and private sectors except to help create the favorable climate and implement the support implied by the public policy assumption discussed above. We suggest that these types of programs of aid to students should be considered for a "Higher Education Program Authorization Act of 1969":

1) *An undergraduate scholarship program* which would be an investment in our best student leadership potential, both in terms of developing it and keeping it in the state.

2) *Graduate and professional fellowships directly related to manpower needs.* This would not only help to provide the necessary manpower for the state's future needs but would be a capital investment in creating a "reverse brain drain" for Texas. Such a program could be tied to contracting arrangements for the private sector.

3) *Educational development grants or incentive awards* of the type proposed in the Higher Education Development Grant (HEDG) program. These would help to remove economic barriers for students of less than superior academic ability who can make some economic contributions toward their own educations. The grants would fill a residual need which, although not large in terms of dollars, could make the difference whether these students could attend or remain in college. The present proposal does not seem to go far enough to help the economically and culturally deprived in the very low income groups. It also has the disadvantage of failing to provide much relief for families in the middle income group who cannot qualify under the financial hardship qualifications but who may have great difficulty in paying all the bills of one or more children in college.

4) *Grants to the economically and culturally deprived* to provide a special incentive for them to enter and remain in college. For reasons already cited, these would probably have to be more generous and administered differently from the incentive grants described above, since many of these students would not be able to provide self-help in the proportion specified there. Such a program might be initiated on an experimental basis to determine the best approach.

5) *Continuation of the Texas Opportunity Loan Program* and other loan programs, with some changes to broaden their base, impact, and usefulness and permit them to be used more liberally in connection with other programs.

In addition, the following principles relating to aid to institutions should be considered for the omnibus Higher Education Program Authorization:

1) *An investment in construction and equipment facilities* that is carefully calculated as to both number and quality, whether state or federal funds are involved, and related to special educational needs of the state.

2) *A policy of financing institutions that utilizes every resource*, including a proper proportion from the primary beneficiary—the student and his parents if they are financially able to provide it. This policy of requiring an equitable share of costs from the student should be offset by the previously-listed assistance programs for those who cannot afford to pay.

3) *A policy of contracting for programs, services, and facilities* wherever possible, both to achieve benefits for the state and its educational programs and also to strengthen the independent institutions and local federations wherever possible. Cooperative arrangements and contracting could be especially fruitful in terms of use of facilities, such as computers and libraries.

4) *A program of grants and contracts for institutional research and experimentation*, interinstitutional study, and programs for innovative activities designed to improve the educational curriculum, processes, and management—an educational research and development program.

5) *An accredited private or independent institution production and service grant* calculated to help close the cost gap between the public and private institutions and make viable the independent college or university which meets specified educational and legal standards. This would incorporate the principles of the New York degree production grants discussed previously, with adequate safeguards to assure quality.

6) *A program to assist the developing and special purpose institutions* to better serve their functions, to improve their quality, and to make a more meaningful contribution to the total higher education effort in the state in terms of their unique situations.

It should be noted that all but two of the programs listed above are designed for all students and institutions. In designing any series of student programs, care should be taken to emphasize two basic principles —payment of a fair share of the costs of higher education by those who can afford it and adequate assistance for those who cannot. The whole array of student programs should be planned so that there are no gaps and so that every student is assured an opportunity for higher education.

It should be emphasized, too, that if all these programs for students and institutions were authorized and implemented, they would not of themselves solve the problems of either the independent or the public sector in Texas. Primarily directed at solving the problems of *all* higher education, they would provide a battery of programs which would be cumulative in effect and create a better climate and opportunity for preservation of the dual system of higher education in Texas. Such a program authorization would give the independent sector a fair chance at a partnership arrangement with the public sector and enable them to work together more effectively toward meeting future needs which, by any standards, exceed the combined capabilities of both.

CHAPTER VII

EDUCATIONAL LEADERSHIP—THE ROLE OF THE INDEPENDENT SECTOR

The key question—whether the state should have a dual or a monopolistic system of higher education—has already been asked. It and related subordinate questions have been certified to the Coordinating Board and through it to the Governor, the Legislature, and the people of Texas. If the state desires the survival of the private sector in any meaningful way, it must take positive steps to reverse the present trends and to create a favorable and supportive climate.

The most favorable action the state can take, however, will only assure that the private sector institutions have a fair chance to compete and that they will be dealt with equitably in the state system. The independent sector cannot look to the state to save it. It must save itself—and perhaps in so doing, save higher education.

The Texas private colleges and universities, through the Independent Colleges and Universities of Texas, Inc., have shown a willingness to involve themselves in the political processes necessary to assure the preservation of a strong dual system of higher education. The extent of the private sector's commitment must be even deeper, however. Political processes will not, in the final analysis, provide all that is needed for the survival and health of the private college or university. Only aggressiveness, initiative, and substantial continuing financial underwriting on the part of those who believe in and support independent higher education will preserve the private sector in Texas.

The independent institutions, collectively and individually, must begin by putting their own houses in order. Having designated ICUT, Inc., as spokesman and agent for the private sector in its dealings with the state, the member institutions must be willing to provide the support, financial and otherwise, which can make this organization the strong and vital force it can and must be to fulfill effectively the role it has agreed to accept in behalf of independent higher education. The colleges and universities must initiate or intensify long-range institutional planning efforts, facing the realities of their situations and considering the alternatives which various future developments may leave open to them.

Every private college and university president and trustee must awaken to the near crisis situation in independent higher education and face it frankly and without illusion in terms of his own institution's situation. The Liaison Committee is convinced that the nationally recognized crisis in private higher education has not been overstated and, furthermore, that the crisis has not missed Texas. It is real, and it is upon us. From the point of view of an individual institution seen through the eyes of an individual president and a single board of trustees, the educational problems and challenges of the present and those which lie ahead are indeed serious. When viewed from the broader perspective afforded by this study and when seen as *system-wide* trends and problems, the situation is clearly far more grave than the presidents and trustees have realized.

It seems unquestionable that the dedication and devotion of presidents and trustees to private higher education is facing a time of severe testing. Nods and words of agreement and approval will no longer suffice. Neither will pious pronouncements about the value of private higher education. The trustees of all Texas private colleges and universities must now be willing to stand up and be counted in terms of support for a strong dual system of higher education in the state. No longer can the people of Texas afford to have all the important decisions concerning higher education made by one faction or one group of people; rather, these decisions must henceforth reflect a concern for the total educational system. True educational statesmanship is required of every independent college trustee and college president in Texas.

Trustees must also be realistic and be willing to face the fact that a private institution of higher education cannot be all things to all people. Every independent college and university should have a clearly stated and understood role and scope, and all issues and problems should be faced in relation to its unique mission and purpose. Trustees and others responsible for the governance and administration of the institution should know precisely and in detail its purpose and what it is attempting to do—no matter what this may be. Furthermore, they should be resolved that the institution perform its special function and perform it well. They should be willing to pay the price, monetarily and otherwise, so that the college or university can make its unique contribution both in terms of meeting statewide and regional needs and in terms of serving a particular research and development function for which it may be suited. It is only by being different and yet being a part of the statewide system of higher education that the existence of the independent sector can be justified.

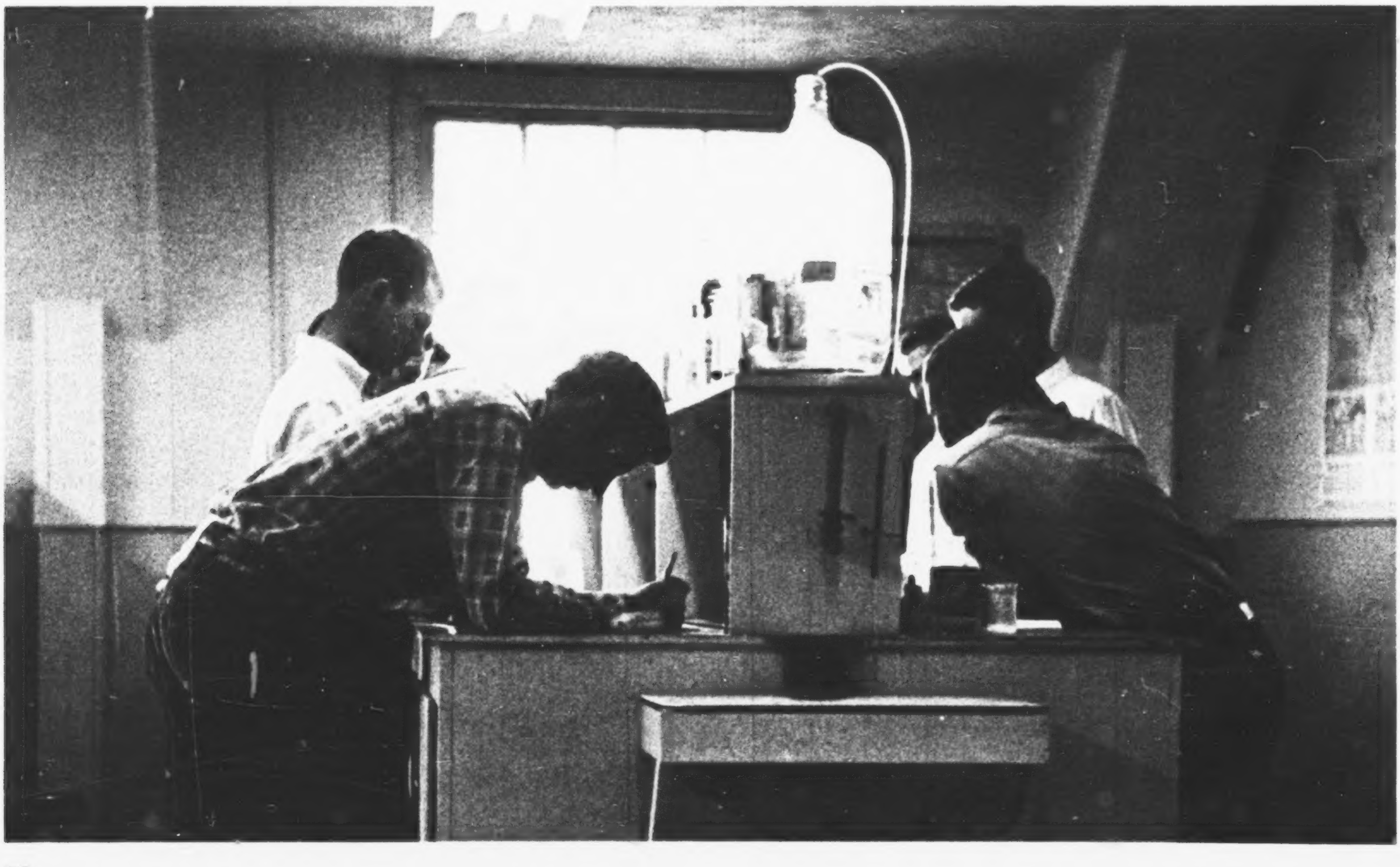
Whatever the role and scope of the institution and whatever special purpose it seeks to accomplish. its programs must be characterized by quality. The quality of an institution's program should be measured not only in absolute academic standards but in terms of the relative progress students make. Action must be taken and money must be made available to improve independent higher education. No private college or university can any longer afford to lower its quality by economizing on faculty or shortchanging students on the kind of education they receive.

Those persons. especially in the churches. who constantly praise and defend private higher education must be asked to back their convictions with action and financial support. Churches should not be content to be sponsors of inferior higher education. Nor should they be content to have their colleges financed almost entirely from non-church sources. Many of the so-called church-related colleges in Texas receive only minute percentages of their operating budgets from denominational sources.

The value of the private sector of higher education has already been thoroughly discussed in this study. It can be summarized as follows:

It performs a public service function. educating more than 70,000 students. It adds to the quality of higher education in Texas by providing diversity. variety, and freedom of choice. The colleges and universities in the private sector contribute a special philosophy and style of life as they reflect the Judeo-Christian heritage so basic in the establishment of this state and nation. They provide inputs of positive values and moral standards into society rather than simply reflecting that society as it exists.

At a time when the influence and impact of private higher education on contemporary life are so desperately needed. the role of the independent college trustee is more vital than ever before. Governing boards, with assistance from administrators, alumni, and other friends of the private sector. must engage as never before in vigorous public education. public relations. and fund-raising. Only in this way can the dual system be preserved and the private sector made the viable. valuable force it must be to serve its distinctive functions and purposes.



CHAPTER VIII

SUMMARY AND STATEMENT OF POSITION

This study has attempted to raise and deal openly with the issues of higher education in the state and nation, with a focus on the Texas private colleges and universities. It has tried to analyze the issues and the data in the context of seeking solutions to overall educational problems rather than striving for self-seeking answers which would benefit only the private sector. It has sought to dramatize the critical nature of present trends and to emphasize that positive action is required on many fronts if the private sector of Texas higher education is to survive in any meaningful way.

The purpose of this chapter is to restate the issues in summary form and to set forth as clearly as possible the recommendations and the positions of this Committee so there will be no misunderstanding regarding the conclusions it has drawn from the data and the arguments. The following are the specific conclusions of the Liaison Committee, and the Committee alone takes responsibility for them. However, our study process has been an open one, participated in by many persons, and we believe these positions are generally supported in the private sector of Texas higher education, by many if not most of the public sector educators, and, hopefully, by the people of Texas.

— 1 —

The central public policy issue of the study is, "Shall Texas continue to have an independent sector, or shall it establish a virtual government monopoly in higher education?"

—*We believe* in the value, viability, and necessity of a dual system of higher education so that there can be freedom of choice, diversity, pluralism, and maintenance of quality for both the public and private sectors.

—*We believe* that to make the case for a dual and pluralistic system of higher education is to make the case for both the public and private colleges and universities.

— 2 —

This central question and all others raised in the study must be faced against the background of the revolution which is taking place in higher education today. It is clear that there are new conditions, problems, and crises—student activism on the campus, the involvement of institutions in bringing about social change, and a new concept that every person has a right to opportunity for higher education.

—*We believe* the crisis is real and is far more significant in changing our fundamental and traditional system of higher education than most people realize.

—*We believe* that as society becomes more complex and technologically demanding, higher education will play an increasingly important role in every aspect of life.

— 3 —

Texas' task ahead in higher education is a tremendous one and yet one which must be approached in new ways. Data are sometimes deceptive, and the higher education enterprise could be overbuilt in one area and underdeveloped in another without great care and total educational policy. Operating costs alone for all higher education could be between $2.4 billion and $4.1 billion by 1985, depending upon the proportion of college-age Texans who attend colleges or universities. In terms of numbers of students enrolled, the increase could range from 115 percent to 270 percent.

—*We believe* that the task ahead in higher education is so great that every available human and financial resource should be utilized to the maximum and that additional financial resources must be found to finance this essential growth for all Texas higher education.

—*We believe* that independent sector resources should be utilized fully to help carry the load, to provide the values and the freedom of choice implicit in the dual system, to take advantage of an existing billion-dollar asset, and to save hundreds of millions of dollars annually for Texas taxpayers.

— 4 —

If the private sector of Texas higher education is to survive in any significant way, carrying its proportionate share of the load, the state must take action to reverse the trends which are already making considerable inroads into the size of the independent sector's contribution.

—*We believe* state action is necessary to preserve the dual system of higher education because by mere inaction and continuation of present policies, the state is causing the private sector to wither into insignificance in terms of handling any substantial share of future higher education enrollment.

—*We believe* it is in the best interest of the state to take such action, both because of the desirability of the dual system and because the tremendous task which lies ahead in higher education will demand every available resource.

— 5 —

To provide for full utilization of existing higher education resources, including those of the private sector, there must be a strong central coordinating agency with an overall statewide approach to problems and policies, a master planning process, and a structure which permits representatives of all segments of higher education to deliberate together on broad policy issues and matters of mutual concern.

—*We believe* the role of the Coordinating Board, Texas College and University System, is absolutely central and crucial for the future and development of all higher education—public and private.

—*We believe* that master planning is not so much drawing a blueprint as establishing a structure for continuous review and evaluation to take into account new problems, new conditions, and new resources.

—*We believe* the independent sector of higher education should be structured into the total higher education system and the Coordinating Board's master planning process in terms of having representatives on a Coordinating Council or other policy review body, along with representatives of the public senior colleges and universities and the community junior colleges.

—*We believe* that the Independent Colleges and Universities of Texas, Inc., is the appropriate spokesman for the independent sector in its dealings with the state and the Coordinating Board. The membership of Independent Colleges and Universities of Texas, Inc., has agreed to accept this role and responsibility.

— 6 —

In terms of tangible contributions, the private sector of higher education in Texas is educating about 70,000 students—20 percent of all those enrolled in Texas institutions of higher education. It consists of 50 very different types of institutions with total assets in excess of a billion dollars and physical plants which would cost more than $600 million to replace. During the 1967–68 academic year it could have accommodated about 12,500 additional properly placed students. It offers undergraduate and graduate training in almost every art, science, and profession. It trains 23 percent of the public school teachers who are certified to teach in Texas each year and contributes significantly to the state's pool of trained manpower by producing doctors, dentists, lawyers, engineers, architects, nurses, and other professional persons as well as scholars and specialists in the liberal arts and sciences.

—*We believe* that the preservation and utilization of the private sector can be justified on the basis of economics alone, although it makes other invaluable contributions to the life of the state.

—*We believe* that utilization of the existing vacancies and potential capacities of the independent institutions should be considered as an alternative to the construction of new public institutions of higher education.

— 7 —

In addition, the private sector contributes a number of intangible values to both higher education and to society as a whole. It offers diversity, variety, and a freedom of choice. It provides positive inputs of values and moral standards into society rather than simply reflecting it in seeking values by consensus or in neutralism. It produces a special kind of leadership for church, state, and nation.

—*We believe* the private sector contributes immeasurably to the cultural, social, and religious life of the state.

—*We believe* that the positive values which private higher education injects into society are particularly needed now when the very fabric of our national life is being torn by crises and conflicts.

—*We believe* that the trend toward homogeneity, uniformity, and standardization which results from large size and centralization should be counterbalanced by diversity, competition of ideas, and differing kinds of sponsorship.

— 8 —

One of the major independent sector problems is attracting students. Enrollments in these colleges and universities as a percentage of total higher education enrollment in Texas has declined from 32.08 percent in 1960 to 24.05 percent in 1964 to 20.20 percent in 1967. First-year enrollments in the accredited independent senior institutions of higher education dropped 9 percent over the last two years and for 1967–68 amounted to only 18.80 percent of the total first-year enrollment in all Texas higher education. Among the reasons for these declines are private sector tuition increases, parental orientation toward public higher education, the increasing availability (especially in the community junior colleges) and quality of public higher education, and the general philosophy of looking to government rather than private enterprise to meet the needs of society.

—*We believe* that unless trends are reversed, private sector enrollment as a percentage of total state higher education enrollment will continue to decline and that the independent institutions will not be able to maintain the present 20 percent holding point.

—*We believe* that the opening of new community junior colleges in areas where there are already private and public institutions of higher education has unquestionably cut into first-year enrollments of the existing institutions. This was especially true in the Dallas and Tarrant County situations.

—*We believe* it remains to be demonstrated whether appreciable numbers of students who have completed two years at community junior colleges will transfer to senior colleges—public or private—to work toward a bachelor's degree.

—9—

The portion of the higher education task which the private sector will be able to assume is largely dependent upon the attitude which the state adopts toward it—whether unfavorable, providing for cooperation and planning, or supplying active support.

—*We believe*, in summary, that the private sector institutions can accommodate from 7 to 25 percent of total projected senior college enrollment up to 1985, depending upon the state's attitude —which may range from unfavorable to active support—and upon the aggressiveness and strength of the independent sector itself.

—*We believe* that if the state adopts an unfavorable attitude—either hostile or neutral—toward the private institutions and establishes or expands public colleges in locations which will offer significant and possibly destructive competition to the independent colleges in the same service areas, fails to provide any effective mechanisms for cooperative planning or for the regular introduction of independent college data and policy preferences into the deliberations of the Coordinating Board and the Legislature, the surviving private colleges and universities will be able to accommodate from 7 to 9 percent of Texas senior college enrollment by 1985.

—*We believe* that in a climate of cooperation and planning, where plans, problems, and competitive circumstances of the independent institu-

tions are considered, and with utilization of present resources and capacities of the private sector, it can accommodate from 18 to 20 percent of total senior college enrollment by 1985.

—*We believe* that in a climate of active state support the independent sector could educate in excess of 25 percent of the total projected senior college enrollment by 1985.

— 10 —

Securing adequate numbers of qualified faculty members is a problem in both public and private institutions. For this reason, it is increasingly important that attention be given to proper use of faculty, particularly in view of the new education technology and innovations which offer possibilities for increased faculty productivity and for cooperative sharing of faculty and facilities. Generally speaking, private institutions are at a disadvantage in competing with the public colleges and universities for faculty. If salaries of faculty members in the public institutions continue to be increased without regard for the effect this will have upon the independent sector institutions, it is only a question of time until the latter schools will find competent faculty members "priced out of the market." There are factors which make it unnecessary for the private sector to compete 100 percent with the public institutions. Among these are the dedication of certain faculty and staff members to the educational philosophy and constituency of a private institution, sometimes to the extent of contributing services or teaching at a lower salary than they might command elsewhere. Nevertheless, most private institutions cannot continue, on the present basis, to meet salary increases and thus maintain educational quality indefinitely.

—*We believe* that increased attention must be given to the proper use of faculty and to faculty productivity and that the new educational technology must be exploited more fully by all institutions of higher education, public and private.

—*We believe* that the effect of salary increases in the public colleges and universities upon the private institutions should be given consideration as a public policy question.

—*We believe* that some of the independent sector institutions must cease the rather prevalent practice of balancing their budgets by economizing on faculty.

—*We believe* that, unless the disparity between salaries in the public and private institutions becomes too great, certain faculty members will continue to prefer working in private institutions because of the freedom and difference of approach inherent in their situations and because of dedication and devotion to the institution's educational philosophy or constituency. However, faculty cannot and should not be expected to subsidize an institution in this way indefinitely.

— 11 —

Another major independent sector problem is the difficulty of securing adequate financial resources. Several of the private colleges and universities are threatened with continuing operating deficits. Tuition has risen steadily but has not kept pace with expenses, and it is approaching a point where private colleges could easily price themselves out of the market. Gifts and grants, endowment income, foundation and church support, and other sources of funds, although increasing in absolute amounts, are decreasing in terms of the percentages they contribute to the budgets of the independent institutions. Furthermore, the public colleges and universities are more and more seeking and obtaining funds from private sources, while the private institutions, generally speaking, are barred from receiving public funds.

—*We believe* that unless present trends are reversed, the private sector of higher education is facing a real and probably ruinous financial crisis.

—*We believe* that the gap between tuition at private and public institutions must be narrowed substantially before students are afforded any real freedom of choice in terms of the type of college or university they wish to attend.

—*We believe* that foundation and corporate giving, traditional sources of financial support for private higher education, will tend increasingly to be diverted from such institutions and channeled into projects concerned with urban problems, race relations, and other pressing public issues.

—*We believe* that church support of many of the so-called church-related colleges and universities has decreased, percentagewise, to a point where it is insignificant in terms of the total operating budgets of the institutions.

—*We believe* that it is in the public interest, on the basis of economy and efficiency as well as philosophy, to maintain the dual system of higher education.

—*We believe* that some new source of income must be found for the private institutions if they are to survive and continue to carry a significant part of the higher education burden in the state.

—*We believe* that if the public sector institutions are to continue to seek and receive substantial funds from private sources, the scale should be balanced somewhat by allowing private colleges and universities access to public funds.

— 12 —

The private sector has a somewhat higher percentage of graduate enrollment than does the public sector—15 percent as compared with 13 percent. The private sector makes a tremendous contribution to the state in terms of producing manpower with graduate training in the arts, sciences, and professions—especially teachers, doctors, dentists, lawyers, engineers, and scientists. Graduate programs, especially at the doctoral level, are very expensive and becoming more so. Furthermore, it takes years for a quality nationally or regionally recognized graduate program to be developed.

—*We believe* that graduate programs of real excellence are necessary not only to sustain and encourage the growth of the state by providing such training for young Texans but also to attract brainpower from outside the state.

—*We believe* that the graduate and professional training offered by the private sector institutions is an invaluable resource to Texas and one which cannot be duplicated or replaced, even with tremendous expenditures of funds, because of the time required to develop distinguished graduate programs.

—*We believe* that state utilization of certain private sector graduate programs through contracting and other devices is both feasible and desirable.

— 13 —

Medical education is very expensive. Baylor University's College of Medicine, the only such school in the private sector, has won national and worldwide recognition for its educational and research programs. The need for additional physicians has been termed critical by such groups as the Texas Medical Association. It takes huge sums of money and a great deal of time to provide physical facilities, assemble a faculty and staff, and get a new medical school into operation. The new University of Texas South Texas Medical School, which will open officially in September, 1968, was authorized by the Legislature in 1959 and has involved the expenditure to date of more than $26 million in state funds, not to mention other financing. New York State has had notable success in contracting with private medical schools for education and training.

—*We believe* there are promising possibilities for state contracting with Baylor University's College of Medicine and that more doctors could be produced more quickly at less expense than by building new public medical schools, although these may also be necessary to meet the need.

—*We believe* that excellent opportunities for contracting or similar arrangements also exist in dentistry, nursing, hospital administration, and a number of the paramedical professions.

— 14 —

Engineering is another important field in which manpower shortages exist, and more engineers must be produced if the state is to maintain and accelerate its industrial growth and keep pace with needs in such endeavors as water development, highway building, and pollution control. Texas supports more public schools of engineering than any state except California. Five of the independent institutions also have engineering schools—two offering work through the Ph.D., one through the master's level, and two others at the bachelor's degree level only. There is every indication that a master's degree is becoming the minimum acceptable academic credential for engineers, which makes graduate education in the field especially important. In the North Central Texas area, Southern Methodist University not only has an existing program for such graduate education but has carefully worked out plans with The Association for Graduate Education and Research to meet the area's tremendous need for engineering education—especially at the graduate level for persons already employed in industry. This plan could be implemented through contracts at much less cost to the state than through the creation of additional schools or programs.

—*We believe* that the graduate programs in engineering at Southern Methodist University—and possibly Rice University and St. Mary's University—should be utilized to the maximum by the state through contracts and other arrangements to meet the needs in this field before consideration is given to the establishment of new programs.

—*We believe* the "Metro Tech" type of proposal offered by Southern Methodist University and The Association for Graduate Education and Research has real merit and deserves serious consideration by the state.

—*We believe* the state should exercise real care to avoid overbuilding of graduate engineering education facilities and should implement policies and programs which will aid in recruiting engineering students at existing schools—public and private.

— 15 —

Although a master planning process is essential and it is imperative that a central Coordinating Board make policy decisions on the basis of an overall statewide view, many of Texas' specific higher education problems are regional, and they vary greatly from area to area. It is therefore at the local level that many of these problems must be solved.

—*We believe* that local and regional cooperative arrangements and other similar devices offer real promise for achieving the fullest, most effective, and most efficient utilization of all existing higher education resources, public and private.

—*We believe* that federations of regional public and private institutions of higher education and perhaps compacts between federations representing the two sectors would be useful structures for developing and implementing plans and programs to meet regional higher education needs.

—*We believe* such regional structures and arrangements would have the added value of encouraging presidents and other administrators of the involved colleges and universities to have face-to-face contact with one another and helping them to develop understanding and rapport which could not be achieved in any other way.

—*We believe* that the North Central Texas area, analyzed as an illustration in this study, offers many possibilities for cooperative regional effort and that promising beginnings have already been made there.

—*We believe* regional cooperative arrangements can also be developed, to the benefit of all concerned parties, in the San Antonio, Houston, Abilene, and Corpus Christi areas, among others.

— 16 —

The continued existence and the roles of the independent special purpose and developing institutions have been questioned in light of a number of recent developments, including the establishment of a number of additional community junior colleges and full racial integration in the public colleges and universities.

—*We believe* the special purpose institutions, such as certain of the private junior colleges, have a unique and invaluable contribution to make to higher education, not only in carrying part of the student load but in performing functions which other institutions of higher education do not or cannot provide.

—*We believe* that the private predominantly Negro colleges are performing many valuable functions —educational, cultural, social, and economic— which other existing institutions are not equipped to provide.

—*We believe* that the special purpose and developing institutions will play an increasingly significant role as more and more of our young people are given opportunity for higher education because these colleges are well equipped educationally to deal with students from culturally and economically deprived backgrounds.

—*We believe* that the developing colleges should be encouraged and given assistance, financial and otherwise, in their role of providing compensatory and other specialized types of education.

— 17 —

It is necessary to raise and face the question of whether it is constitutionally and statutorily permissible for the independent colleges and universities to participate in the state's total system of higher education, especially financially.

—*We believe*, after considerable research and study of constitutional and statutory provisions, federal and state court cases, and opinions of the Texas Attorney General, that there is no real legal barrier to such participation by most of the independent colleges and universities.

—*We believe* that in the dual system, there is a place for and a valuable purpose to be served by the definitely sectarian college which would not be legally eligible to participate in programs with the state and which probably would not desire to do so even if it were eligible.

—*We believe* most independent colleges are not legally prohibited from participating with the state under recent interpretations of the constitution by the Texas Attorney General. The opinions develop a line of reasoning which holds that if a valid public purpose is being served, it is the character of the use for which the money is expended rather than the nature of the private agency rendering the service which controls.

—*We believe* that if a constitutional problem on this point exists in Texas, the state Constitution should be amended on the theory that it should be no more restrictive than the federal Constitution.

— 18 —

If higher education needs and enrollment projections are to be met, it seems unquestionable that considerably more of our resources—public and private— must be allocated for this purpose. There must be a new assessment of how all available resources can be best utilized to achieve national and state higher education goals. The real policy question then becomes one of who pays for higher education and in what proportion.

—*We believe* that some of the problems of higher education can be solved, or at least alleviated, by wider use of the new educational technology and by sharing of human resources, facilities, and equipment.

—*We believe* in the basic principle that the individual who benefits most from higher education —the student—should bear a reasonable proportion of the cost of his higher education on the basis of his ability to pay, with adequate provisions to assure that no one is denied opportunity for higher education because of inability to pay. There are many alternative techniques through which this principle can be implemented.

—*We believe* that government support of higher education should be in the form of programs of aid for both students (consumer subsidy) and institutions (producer subsidy) and that there are valid arguments for both.

—*We believe* that a Higher Education Program Authorization Act, including a battery of programs for both students and institutions, should be developed by the Coordinating Board and recommended to the Legislature. It would include the following types of aid for students: undergraduate scholarships to develop leadership potential, graduate and professional fellowships directly related to manpower needs, educational development grants or incentive awards, grants to the economically and culturally deprived, and continuation of the Texas Opportunity Plan and other loan programs. Types of financial aid authorized for institutions would include the following: construction and equipment facilities grants; a proper portion of the cost of education from the primary beneficiary—the student—based on ability to pay; contracts for programs, services, and facilities; grants and contracts for institutional research and experimentation; production and service grants for accredited independent institutions; and a program to assist the special purpose and developing institutions.

—*We believe* such a Higher Education Program Authorization Act would strengthen all Texas higher education—public and private. Although only two of the recommended programs are especially for the private sector, all of them collectively would be cumulative in their effect of creating a better climate and opportunity for the preservation of the dual system of higher education in Texas.

—*We believe* these programs should be authorized by the Legislature in one comprehensive statute so that they will be available for use by the Coordinating Board in its continuing master planning process and can be implemented as they are needed and funded.

— 19 —

Although state action is needed, the real challenge is to the private sector to save itself. State action alone, no matter how favorable, will not guarantee the continued existence and health of independent higher education. It will merely give the private sector a fair chance to make itself the viable and vital force it must be to perform its proper functions.

—*We believe* that private college trustees and presidents must face their student and financial situations frankly and realistically, consider where present trends are leading them, and take necessary and appropriate action based on long-range planning.

—*We believe* that trustees and other supporters of private higher education must be willing to back words of approval and agreement with action and substantial sums of money.

—*We believe* the churches must face the fact that their meager contributions to the budgets of most church-related colleges and universities scarcely justify the institution's identification with the denomination.

—*We believe* that the crisis of the private college has come at a time when the influence and impact of such institutions were never more desperately needed in our society.

—*We believe* in the dual system of higher education and pledge ourselves to work toward strengthening both private and public sectors so that, together, they can help Texas meet the awesome challenges of the future.